PARIS, SATURDAY-SUNDAY, DECEMBER 26-27, 1992

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Clinton's Cabinet Offers Something for Everybody, Mainly Sense of Purpose

By David S. Broder

WASHINGTON - Bill Clinton the Cabinemaker turned out to be a lot like Bill Climon the Campaigner. He put in some-thing for almost everybody and he delivered the order just when it looked as if he might foul it up.
With his announcement of the final set of

department heads, the president-elect hit his self-imposed Christmas deadline and hon-ored his promise to have the "most diverse"

top-level appointees in history.

The scramble to meet that goal produced a remarkable last-minute shuffle of people and jobs, demonstrating that for the first Democrat to win the White House in 12 years, the need to showcase the ethnic, racial and gender variety of his party overrode any ideological litmus tests, any concerns about internal policy cohesion and — with few exceptions - any claims based on political loyalty, interest group or geographical rep-

Mr. Clinton completed his cabinet nominations Thursday by picking Zoe Baird, 40, vice president and general counsel of Aetna Life & Casualty Co., to be attorney general, the first-women to be chosen for the post; Mike Espy, a black congressman from Mis-Misc Espy, a black congressman from Mis-sissippi, secretary of agriculture, and Bruce Babbut, 54, former governor of Arizona, secretary of the interior. He also named Federico Pena, 45, former mayor of Denver, transportation secretary; Mickey Kantor, 52, a Los Angeles lawyer who served as Mr. Clinton's campaign chairman, U.S. trade representative, and Dr. Joycelyn Elders, 59, a director of the Arkansas state health de-

Thorn

T&T ::

partment, surgeon general.

Even partisan Republicans commended what Representative Vin Weber of Minnesota called the "intellectual firepower" of the men and women who survived the screening process in Little Rock, Arkansas. But several Clinton insiders said privately that they were concerned that the nominees suggest little about the direction of the Clinton administration except Mr. Clinton's intent to keep the policy reins firmly in his

"When I look at this cabinet," said a senior Clinton campaign strategist, who had no role in the selection process, "I have to conclude that he wants this to be a very personal and very powerful presidency."

The predominance of establishment-ori-ented and Washington-credentialed veter-

ans on the economic and national security teams was attributed by Clinton aides to his desire to secure quick congressional passage of his domestic programs and his hope that he can enlist bipartisan support for his for-

eign and defense policies.

That hope may be realized. Alan Simpson, the Senate minority whip and a Wyoming Republican, for example, called Secretary of State-designate Warren M. Christopher "the very best man he could

Al Gore and a few others by a set of principles remarkably different from those of ear-

By the time Mr. Clinton had completed his senior appointments — his promise of "diversity" had been honored with the naming of four blacks, four women and two Hispanics to top posts — there was space at the table for few of the Democratic Leadership Council figures who spurred Mr. Clinton to campaign as "a different kind of

"We have to hope," one of them said, "that the 'new-idea people' will get more from him in the next round of appoint-

Despite appearances, this is not a notably young cabinet. The average age is 51—the same as Jimmy Carter's and four years older than John F. Kennedy's cabinet at the start of his presidency. But the average is a bit misleading, with Treasury Secretary-desig-nate Lloyd M. Bentsen, 72, and Secretary of State-designate Warren M. Christopher, 67, in the group, Carol M. Browner, 37, Environmental Protection Agency administra-tor, and Mr. Espy, 39, are the babies of the group, and five others are forty-something contemporaries of Mr. Clinton and Mr.

Mr. Clinton appears to be following President Carter's pattern with the choice of well-respected, establishment figures for the Treasury, State and Defense posts in Mr.

have picked for that job."

The rest of the cabinet slots were apportioned by Mr. Clinton, Vice President-elect lier Democratic presidents.

Of the three senior cabinet members, only Mr. Aspin has the reputation of being a bold policy innovator, but all three are expected to smooth the way for Mr. Clinton in dealing with Congress. The same is expected of the Office of Management and Budget team See CABINET, Page 31

Bentsen, Mr. Christopher and Representa-tive Les Aspin, chairman of the House Armed Services Committee.



A Palestinian deportee in the South Lebanon no-man's-land raising his hands during Muslim prayers as a second chilly week began.

A President Who Pardoned Himself?

By R.W. Apple Jr.
New York Times Service

WASHINGTON - As he begins to edge offstage, George Bush is taking a calculated gamble with his place in history.

Having spent a good deal of his energy in the last few days on grand global problems of the kind that have always engaged him, he has now ventured into the cockpit of domestic politics by pardoning six of the leading figures in the Iranian arms deal and the diversion of profits to Nicaraguan rebels.

He hopes to be remembered as the victor of Kuwait and as the man who, even in his hour of defeat, planned a humanitarian mission to Somalia, sought an end to the strife in Bosnia and pressed for reductions in nuclear weapons. But will he, in fact, be remembered instead as the president who in effect pardoned himself?

Mr. Bush served as vice president, of course. during the years when the arms-for-hostages deal developed. He has maintained ever since that he knew little about it — an assertion that has been shaken but never disproved. The trial of former Defense Secretary Caspar W. Weinberger, which was to have begun on Jan. 5, would have provided the most thorough public airing of the matter. By blocking that trial, Mr. Bush has vastly reduced his own exposure to damage from the affair, at least in the court of public opinion.

Besides Mr. Weinberger, the president par-doned Robert C. McFarlane, the former na-

NEWS ANALYSIS

tional security adviser, and Elliott Abrams, the former assistant secretary of state for Central America. Both Mr. McFarlane and Mr. Abrams had pleaded guilty to misdemeanor charges of withholding information from Con-gress about their knowledge of operations to support the contras.

The president also pardoned Clair E. George, the former head of the CIA's clandestine services, who was convicted earlier this month, at his second trial, of two felony charges of perjury and misleading Congress about both the contras and the Iran initiative — crimes for

which he faced up to five years in prison and \$250,000 in fines.

In addition, two other intelligence officials were granted clemency. One was Duane R. Clarridge, the former head of the CIA's European division, who was awaiting trial on charges that be misled congressional investiga-tors about a missile shipment to Iran in Novem-

The other was Alan D. Fiers Jr., once a rising CIA star, who had pleaded guilty in 1991 to withholding information about the contras from Congress and who later decided to cooperate with the prosecution, becoming Mr. George's chief accuser at both his trials.

The president's timing was impeccable, politically speaking. Few politicians were in their offices to comment, and the mighty engines of communication were all but shut down. Christmas Eve television draws one of the smallest audiences of the year, as do the Christmas

morning papers.

But Mr. Bush is not yet home free. Lawrence E. Walsh, the independent counsel in the case,

See PARDON, Page 3

Relief workers subduing a Somali in Bardera on Friday after he tried to steal a sack of wheat that had been delivered by U.S. Marines.

On the Road to Bardera, Hope As Relief Finally Gets Through

By Barton Gellman

Washington Post Service
UFUROW, Somalia — Abdi Hassan Aden,
stooped but dignified at 60, stood agog in the
shade of a Kuban tree. Not only was there traffic on the Bardera road, but two fearsomely loud machines were beating the skies.

"We have never seen such," he said through an interpreter, turning his gaze away from the Marine helicopter gunships. "We are afraid of

In fact, the Marines may have saved him. Since Oct. 16, the Bardera road has been closed by mines laid in Somalia's fratricidal struggle among the clans. Food continued to land safely at Bardera airport, about 40 kilometers (25

With the clearing of some of the mines Thursday and the arrival of a Marine combat team in Bardera, Ufurow stands at a crossroads of life and death. Many neighboring villages have already died. All along the road from Baidoa to here, broken grass-and-wattle huts stand abandoned.

began, Mr. Aden has taken a cow to town in desperation and exchanged it with black market traders for a 110-pound (50-kilogram) sack of grain. It is a horrendous deal for the farmer, because a cow produces milk and other cows, while the grain sack will feed his wife and eight children for just 10 days.

"Those who have no cows have already

U.S. and French troops secure Hoddur, and

find 5,000 mines around the town. Page 2.

they will be the size of fists.

See AGOG, Page 2

Israelis Bar **Red Cross Aid** For Stranded **Palestinians**

Cabinet's Vote on Issue Is Much Narrower Than **Decision on Deportation**

By David Hoffman

Washington Post Service
JERUSALEM — The government barred the Red Cross on Friday from sending a convoy of relief supplies to 415 exiled Palestinians just north of Israel's self-declared "security zone" in South Lebanon.

But Prime Minister Yitzhak Rabin's cabinet, voting on the issue at a hastily called afternoon meeting in Tel Aviv, was sharply divided. For-eign Minister Shimon Peres, two other Labor ministers and three from the leftist Meretz bloc

broke with Mr. Rabin and voted to permit the Red Cross to help the deportees. The Palestinians were forcibly deported last week by Israel, which said they were suspected members of the Islamic fundamentalist move-ments Hamas and Islamic Jihad. Officials from the International Committee of the Red Cross have said the deportees are growing short of

water, food and medicine in a snowy hillside tent camp just north of the security zone. Lebanon earlier refused to allow the Red Cross in, saying the exiles were the responsibility of Israel. Beirut appealed Friday to the United States to press Israel to admit the relief convoy. But Mr. Rabin ordered Israeli troops to

take responsibility. The Red Cross effort was "stemming from political reasons only" and "has nothing to do with humanitarian actions," he said.

bar the Red Cross and said Lebanon should

The cabinet vote was 8 to 6 to prohibit the relief effort, with 2 abstentions. The close votecontrasted with the cabinet's near-unanimous

decision last week to deport the Palestinians. That vote was 16-0, with 1 abstention. Mr. Peres was said to have argued that permitting the relief convoy would mute the international crincism of Israel that followed the expulsion and the widely televised pictures of

the deportees camping in frigid temperatures.

"The government has made a mistake," said Tourism Minister Uzi Baram, who voted to let the convoy through. The expulsion would not have been weakened by making a humanitarian

But Housing and Construction Minister Benyamin Ben-Fliezer, who voted against allowing the convoy through, said: "We certainly believe that if the government of Lebanon can show concern about the situation of the deportees, they should allow the Red Cross to cross from all sides. The Lebanese government can allow the International Red Cross to go through their area. The government of Israel has taken a decision, we are determined not to change the

Energy Minister Amnon Ruhinstein, who voted to permit the Red Cross effort, said there was agreement among the ministers that the responsibility should be Lebanon's.

But, he added, "we thought from Israel's point of view," in Israel's best interests, the Red Cross convoy should be accepted.

Israel Radio reported that defense and security officials advised against allowing the Red Cross convoy to proceed. The exiled Palestinians are camped between the checkpoints of the Lebanese Army and the Israeli-sponsored South Lebanon Army, which controls a strip of Lebanese territory as a "security zone" for

The government originally planned to dis-cuss the matter on Sunday, but Israel television reported the meeting was moved up because Mr. Rabin feared a confrontation with the Red Cross this weekend, and wanted to have a vote in the cabinet beforehand.

A parliament member, Abdel-Wahab Daroushe, was quoted by Reuters after the cabinet meeting as saying he had lodged an appeal with Israel's High Court against the government

Kiosk

200,000 Berliners Hold Anti-Nazi Vigil BERLIN (AP) — About 200,000 people carrying candles and torches lined the

streets of Berlin on Friday evening in a Christmas vigit against neo-Nazis and other rightist extremists. The demonstrators stretched about 8 kilometers (5 miles) across the city during

the peaceful half-hour vigil. Hundreds of thousands of people aiready had held similar candlelight vigils in Munich, Frankfurt and numerous other cities over the past several weeks. All were seeking an end to the four-month wave of

Business/Finance

Economic gloom appeared to be deepening Venture capital is in Bill Clinton's economic spotlight.

Money Report Best earners for '93, hedging your fund investments, ski properties. Page 12-13.

Weather Page 16. Crossword Page 16.

Europe's Single Market

At midnight Thursday, the 12 nations of the European Community officially become a single market free of tariff barriers and customs restrictions. In Monday's Trib a series of articles will examine what vill change in the daily life of Europe and ts visitors, from travel and taxes to shopsing and finance.

Politically and Socially, Taipei **Drifts Farther From Mainland**

By Nicholas D. Kristof

New York Times Service
TAIPEI — The people of Taiwan might like to attach a huge ontboard motor to the end of their island, rev it up, and move Taiwan several hundred miles farther away from the Chinese mainland. That would reduce the risk of a Chinese

attack and give Taiwan more options for deciding its future. But while physical relocation is impossible, there are signs that Taiwan is drifting politically and socially farther from the The Kuomintang, or Nationalist Chinese government here, once spoke of "gloriously recovering the mainland," but it is now far from

clear that Taiwan would take China back if it Political candidates here issue furious denials when rivals accuse them of favoring rapid reunification. Even Taiwan's leaders seem to be trying to keep their options open by pushing reunification off into the distant future.

"We want eventual reunification, but not immediate reunification," said Ma Ying-jeou, vice-chairman of the government's Mainland Affairs Council.

Jason C. Hu, the chief government spokes-man, seemed even more ambivalent when asked what Taiwan would do if the mainland government collapsed tomorrow and the people of China asked the Kuomintang to return. "That's an unfair question," he protested.

The stakes are enormous because Beijing repeatedly threatens to use its military to keep Taiwan from becoming a sovereign state.

Taiwan lies just 100 miles (160 kilometers) off the Chinese mainland. For four decades it

has been the bastion of the Kuomintang forces

that lost the Chinese civil war to the Commu-

These days, some dissidents want Taiwan to declare itself the independent Republic of Tai-wan. But the opposition Democratic Progres-sive Party did unexpectedly poorly a year ago when it made independence a major issue, muting the calls for independence.

Paradoxically, at the same time there seems to be diminishing interest in reunification. Tim T.Y. Ting, a poll taker in Taipei, said his most recent survey suggested that only about 15 percent of the public favors immediate inde-

That figure has been fairly stable for years, he said. But another survey found for the first time that less than half the public favors eventual reunification, seeming to prefer the status

"When people think about reunification, they think: What's in it for us? You want to equalize incomes with the mainland?" said Chang Liang, president of Shearson Global Financial Services in Taipei.

Another businessman, one with close links to government leaders, said: "We should go on telling Beijing that we want to remify, even though in our hearts we don't mean it. As long as we don't give them a timetable - and we won't - then we can postpone the issue indefi-

Curiously, the diminishing enthusiasm for reunification comes as Taiwan is rapidly expanding its economic links with the mainland. Trade may reach \$7 billion this year, up from \$1 billion in 1986. One million Taiwanese visit the mainland each year. Leaders in Beijing are anxious about Taiwan

See TAIWAN, Page 2

died," he said. "Most of the others have gone Now there are only six cows left in the miles) away, but tiny villages like this one got

village, and two months before the next crop of sorghum can be reaped. The reddish sorghum kernals are the size of walnuts now; when ready

"Those who live in the town have got every-thing, while we who live in the village have nothing," Mr. Aden said, "So we have gone to

Relax! Life on Earth Should Last a While

By Malcolm W. Browne

New York Times Service NEW YORK - Life on Earth may be donned but not for at least a

billion years, two scientists suggest.

This new estimate gives Earth's creatures a 10-fold increase in life expectancy over a span proposed earlier. The latest estimate, by Ken Caldeira, a geochemist, and James F. Kasting, an atmospheric scientist, both of Pennsylvania State University, is based on a complex mathematical representation of interactions in the environment.

For many reasons, scientists believe that life on Earth cannot survive indefinitely. For one thing, the sun, which is a common type of star, is expected to expand into a red giant, the outer shell of which will

'With any luck, and with a billion years to play with, the human race would seem to have plenty of time to solve its problems.'

eventually engulf the orbit of the planet Mercury and roast the Earth. The Earth would then be burned clean of life in 5 billion years. But many scientists believe that by that time life will long since have

disappeared for other reasons. The mathematical model developed by Mr. Caldeira and Mr. Kasting, which is described in an article in the current British journal Nature, supports earlier predictions that the Earth may meet its doom through a precipitons decline in atmospheric carbon dioxide. That would starve plants of their main chemical building blocks and destroy

the planet's food chain. The idea, proposed a decade ago by a British environmental scientist, James E. Lovelock, and his colleague. M. Whitfield, is based on the belief that as the sun becomes more luminous, Earth will gradually heat up. Solar heating will enable Earth's silicate rocks to react much more readily with atmospheric carbon dioxide, thereby removing carbon dioxide from the air.

Although this process would slow the greenhouse warming of the Earth, it would also rob plants of the raw material they use to photosynthesize carbohydrates.

Mr. Lovelock predicted that within 100 million years Earth would run out of food and become a lifeless planetary mausoleum.

In the next phase, solar heating would eventually prevail, vaporizing

the planet's water, splitting water molecules into oxygen and hydrogen and hurling the hydrogen into space.

The global loss of water would then destroy the ability of silicate rocks to remove carbon dioxide from the atmosphere, and when volcanoes erupted, they would soon inject enough fresh carbon dioxide into the atmosphere to initiate a new runaway greenhouse effect. The Earth would soon resemble searing Venus, with temperatures high enough to melt many metals.

Where Mr. Caldeira and Mr. Kasting part company with Mr. Lovelock is in their estimate of the rate of change in the decline of the preenbouse effect. In their model, the Penn State scientists calculate that despite the increasing heat of the sun, the temperature of the atmosphere is likely to remain fairly constant for 900 million years, because the warmed rocks will take carbon dioxide from the air and reduce the greenhouse effect.

Moreover, Mr. Kasting said, Mr. Lovelock overlooked another factor that could greatly prolong terrestrial life. Mr. Lovelock's assumptions were based on older forms of plant life that generally require a level of carbon dioxide in the air of at least 150

parts per million. The Lovelock model predicts that atmospheric carbon dioxide will fall to that level in 100 million years, dooming all life. But Mr. Kasting noted that another, more highly evolved class of plants, including corn and many grasses, absorbs carbon dioxide in a different mode, requir-

ing levels of less than 10 parts per million. Corn is able to get along on much leaner diets of carbon dioxide than many other plants because its cells can pressurize and thereby concentrate carbon dioxide.

 Of course, Mr. Kasting said, various unpredictable catastrophes could snuff out terrestrial life much sooner than carbon dioxide starvation. Among them, he said, would be an impact with some huge extraterrestrial body, such as the comet Chiron, which has a diameter of 150 miles (240 kilometers).

He discounted a suggestion from some theorists that a nearby supernova explosion might exterminate life, because the Earth is not in a region of the galaxy where supernovas often occur. You never know what might happen," he said. "But with any luck,

and with a billion years to play with, the human race would seem to have plenty of time to solve its problems."

By William Branigin

largest Muslim nation has alarmed President Suharto's government as he prepares for his sixth and

The government has sought to squeich reporting of the incidents in the Indonesian press and appears to have brought the turmoil under control. But concern over the potential for violence from religious upheaval remains high in this archipelago

they charge is excessive proselytizing by Christians, have attacked or burned several Christian churches or homes on Java and Sumatra in the last

Helping to inflame passions have been videotapes about Serbian atrocides against Muslims in Bosnia, tracts purporting to detail plans to "Chris-tianize" Indonesia, and student brawls that have

10,000 activists tore down and burned the home and church of a self-styled Pentecostal preacher outside Pasuruan, East Java, on Nov. 15, to protest anti-Islamic tracts he had allegedly distributed.

According to Abdurrahman Wahid, the head of Indonesia's largest Muslim organization, the Nahdlatul Ulama, at least 30 attacks on churches or other Christian property have been reported in the last three months.

Mr. Wahid, a moderate who favors greater democracy in Indonesia, blamed the incidents on radical "right-wiog Muslims" who he said have been encouraged by Mr. Suharto's efforts to win favor with Islamic groups.

"They have taken advantage of the situation now that the president needs the support of all Islamic movements," Mr. Wahid said, "because he would like to have a smooth last term of office starting in 1993."

Although Mr. Suharto has vigorously promoted a nondenominational philosophy called *Pancasila* since becoming president in 1968, he has stressed his Muslim roots in recent years and courted

Islamic groups. Observers see his efforts as aimed primarily at creating a pobtical counterweight to the Indonesian armed forces and co-opting a potentially powerful vehicle for antigovernment pas-

With political groups and news media under tight constraint, Islam is seen as the main outlet for opposition sentiment in Indonesia. Previous opposition activity by radical Muslims has been

archipelago and fourth most populous nation, sees itself as susceptible to ethnic division, and religion is another volatile element.

Muslim, with Christians accounting for about 10 percent. Hindus and Buddhists make up the rest. However, Mr. Wahid, whose Nahdlatul Ulama group counts as many as 30 million followers, said

Many of the rest, including Mr. Suharto, also

adhere to pre-Islamic beliefs based in Javanese

invsticism, he said. In a speech to a conference of Buddhists earlier this mooth, Mr. Suharto warned Indonesians not to let religious fervor get out of control.

The military commander of Jakarta, Major General Harseno, urged Muslim leaders to "help us calm down the students" and suppress "rumors that may incite religious frictions." He made the appeal after police arrested 75 high school students who had been planning to attack a Roman Catholic school in the capital because of rumors, later proven false, that a student had burned a Koran. Likewise, some leaflets purporting to ontline Chrisoan leaders' secret plans to promote their

faith at the expense of Islam appeared to he forgeries aimed at stirring up Muslims.

It is unclear who was behind the tracts, but Mr. Suharto and his generals viewed them as dangerous and indicated a readiness to crack down on militant Muslims who seek to create confronta-

Mr. Suharto, 71, is scheduled to be re-elected by a government-controlled assembly in March.

Is Targeted

By Peter Maass

SARAJEVO, Bosnia-Herzegovi-na — The commander of United

Nacions forces in Bosnia said Friday that his residence had been shelled, probably by Bosnian gov-ernment soldiers, and that he had

been "targeted directly."

Major General Philippe Moril-

lon said several mortar shells were

fired Friday morning from government-held areas in Sarajevo and exploded within a few yards of his

Lieutenant General Satish Nambiar, the UN commander for for-

mer Yugoslavia, who was visiting him. A similar attack occurred

Thursday morning, General Moril-

"It's clear that I have been tar-geted directly," General Morillon said. "It was certainly to kill."

At a news conference, the two generals gave one of the glummest

assessments yet of prospects for Bosnia-Herzegovina. Their re-marks suggested that they believed the West had acted too late in Bos-

mia, that little could he done now and that efforts should be made to

"The actions that were taken were not the right ones," General Nambiar said. "They should have been more effective. But that's his-

tory." He added that UN action in future conflicts like the one in Bos-

nia-Herzegovina "has to be taken

In a preventative form rather than

waiting for a disaster to happen."
General Nambiar again stressed his belief — disputed by some of

his own officers - that Western

military intervention in Bosnia

He said that intervention might

bring the end of UN relief opera-

tions and escalate battlefield casu-

alties, not only in Bosnia but per-

haps in other parts of what was once Yngoslavia.

Serbian aggression in Bosnia has prompted the United States and

other Western powers to consider enforcing the UN-mandated air ex-

clusion zone over Bosnia. Serbian

helicopters and warplanes have

initiative to authorize the shooting

down of offending aircraft or the

bombing of their airfields.
But General Nambiar said thet

military intervention of any sort

Serbia's president, Slobodan Mi-

idential elections, according to offi-cial results released Friday by the Serbian Electoral Commission,

Agence France-Press reported

from Belgrade. Mr. Milosevic got 56.32 percent of votes, against

34.02 percent for his main rival,

Milan Panic, the Yugoslav federal

prime minister, in a vote that inter-

national observers say was marred

evic, has won last Sunday's pres-

avoid future mistakes.

sandbagged residence.

lon said.

In Bosnia

WORLD BRIEFS

Iran Warns Gulf Council on 3 Isles

TEHRAN (Renters) - President Hashemi Rafsanjani, pressing Iran's claim to three disputed Gulf islands, said Friday that Gulf Arab states would have to "cross a sea of blood" to reach them. But he also invited governments of Arab states in the region to talks in Tehran to settle the

"Iran is surely stronger than the likes of you," he said in a sermon at Tehran University. "To reach these islands one has to cross a sea of blood." He was responding to a demand from the six-nation Gulf Cooperation Council that Iran reverse what they see as annexation of Abu Musa Island and also pull out of Greater Tunb and Lesser Tunb.

fran says the islands have historically belonged to it.

The council — which comprises Bahrain, Kuwait, Oman, Qatar, Sandi Arabin and the United Arab Emirates — made the demand at a summit meeting in Abu Dhabi last week. "We sent a delegation," Mr. Rafsanjanj said, referring to negotiations in Abu Dhabi that collapsed in October. Now you come here, any time you want. Let's see what you have to say, Let's cooperate on issues before the Islamic world."

French Split on Reappointing Tapie

PARIS (Reuters) — Leading members of the governing Socialist Party have sharply criticized a decision by Prime Minister Pierre Beregovoy of France to reappoint Bernard Tapie, a millionaire who controls the Adidas

sports equipment company, to the cabinet.
"Surely Pierre Bérégovoy knew such a decision would go against the feelings and coovictions of many Socialists including myself," said the president of the National Assembly, Henri Emmanueli.

president of the National Assembly, Henri Emmanueli.

Mr. Tapie, 49, is among France's most popular politicians. His reappointment Thursday as minister for urban affairs was widely seen as an attempt by the Socialists, whose popularity is near an all-time low, to gain support ahead of general elections in March. Mr. Tapie resigned from the urban affairs post in May after being charged with fraud. The case was dropped in November after a former business associate withdrew his complaint against Mr. Tapie.

Indian Police Arrest 3,000 Militants

LUCKNOW, India (Reuters) - Indian police arrested more than 3,000 Hindu militants Friday as they threatened to march to a shrine in the northern town of Ayodhya, built on the site of a mosque destroyed by

Hindu militants earlier this month. The destruction of the mosque on Dec. 6 and the building of a makeshift temple there triggered a wave of Hindu-Muslim rioting in

which at least 1,200 people were killed across India.

The authorities in Lucknow, the capital of Uttar Pradesh state, said that 234 people had been arrested near the disputed site, and 2,855 in the nearby town of Faizabad. Paramilitary police have guarded the site since ejecting the Hindu militants on Dec. 8. Entry is banned.

Russia to Stay on Economic Course

MOSCOW (AP) — Boris Fyodorov, Russia's new economic strategy chief, said Friday that he planned to follow the course of free-market changes set by the previous government and did not intend to devise new The attack did not wound him or

"I begin my work in the cabinet with calm and definitely not pessimis-tic feelings," the deputy prime minister told the press agency Itar-Tass. He said that instead of working out new anti-crisis plans, the government should follow the general course of the former acting prime minister, Yegor T. Gaidar, the architect of economic reform.

40 Soldiers Slain in Tamil Ambush

COLOMBO (Reuters) — Tamil guerrillas fighting for a separate state in northern and eastern Sri Lanka killed 40 soldiers in an ambush and are believed to have lost up to 30 of their own fighters, military sources said

A major of the Liberation Tigers of Tamil Eelam was among the rebels killed in oearly two hours of fighting on Thursday in the northeastern

For the Record

Some 200 homeless men, women and children occupied the lobby of the George V, a swanky Paris botel on Christmas Day, staging a symbolic protest for housing in this high-rent capital.

TRAVEL UPDATE

IRA Has Made Itself Felt in London

LONDON (WP) - This year's campaign by the Irish Republican extensive in years. The series of threats and bombings has prompted the authorities to take the unusual step of setting up armed roadblocks.

In a country where most police do not carry weapons, assigning rifle-earing officers to make random searches is a major step. Although the roadblocks so far have netted scores of drug offenders but on terrorists. the police believe the tactic is sound.

Perhaps the biggest impact on most Londoners has come from the hundreds of bomb threats against the Underground, the city's subway system. Through the beginning of December, the Underground has been the target of more than 1,600 bomb threats this year, or almost five a day. transit officials said.

President Hosni Mubarak of Egypt visited with foreign tourists at the accent ruins of Luxor in an effort to show the government's concern following recent attacks on tourists by fundamentalist Muslims. (NYT)

AGOG: At Last, the Relief Arrives

(Continued from page 1)

who are given the relief." In Bardera, more than an hour-

down a pitted and still dangerous road, relief experts said they used to feed 120,000 villagers like Mr. Aden every day. But on Oct. 16, the forces of General Mohammed Siad Barre Morgan defeated General Mohammed Farrah Aidid for con-

General Aidid's men laid mines in their retreat. General Morgan's laid mines to prevent General Ai-did's return. Before Thursday, the road into Bardera had not opened

With wells filled by rocks and tools plundered, the villagers were unable to live their normal subsis-tence farming life. With the road closed to vehicles, relief agencies were unable to feed them.

Forty-four thousand refogees streamed into Bardera, and many of them died along the way. Even with food arriving now by cargo plane, 70 refugees die daily of famme-related causes.

"They've already planted crops, because we distributed seeds in late September and early October," said James Feanell of CARE, in his Bardera compound. "It's critical that we get people back to their villages before the harvest, because if that dies on the ground we've lost another six months."

Mr. Fennell and other relief officials said the first priority for the Marines was clearing the road. The mines are still very much a threat. On Wednesday a mine killed a State Department official and wounded three others who drove to Bardera in advance of the Marines.

Mine Injures 3 U.S. Pilots

KUWAIT — Three U.S. pilots were injured when they set off a mine while exploring a Kuwaiti oil field, a local newspaper said on Friday. It said that one of the pilots noticed a wire on the ground and pulled the wire, setting off the

About 900 Marines were preced town and we must buy from those ed by combat engineers who swept a narrow path but left much oncleared. Arriving in town near sun-set, the Marines were greeted by

> troops began smiling again in re-"U.N. Troops / Welcome / to Bardera with Peace," read a sign erected by the Somali Intellectuals Association, three members of which traveled to Bardera for only

joyful throngs, and many of the

that purpose.
"This is my Christmas present to
Africa," said Lance Corporal Joseph Trevino. "Of all the Christmas

presents I've ever given, this is probably the best one."

Marines Rescue Journalists From Mob in Bardera

BARDERA, Somalia - U.S. troops rescued a group of journalists Friday from a mob of Somalis

who attacked the group with rocks and sticks, the U.S. military said. The incident underscored the continuing tension in this central Somalia town, despite the arrival of

U.S. Marines on Thursday. Lieutenant Colonel Don Gersh, a Pentagon spokesman in Washington, said journalists from the BBC, NBC, Reuters and one unidentified organization were with a zation known as Save the Children when they were attacked by Soma-

is throwing rocks and sticks.

Colonel Gersh said the group
was rescued about five minutes later by troops from the 7th Marine

NBC reported that a mob had surrounded a house shared by NBC, BBC and Renters reporters. The network speculated that the crowd was upset because the re-

porters were employing Somalis from Mogadishu, from another clan. It was not immediately clear whether the NBC report referred to the same incident that Colonel

Brewing Religious Upheaval Alarms Jakarta Government

Washington Post Service

JAKARTA — Religious strife in the world's possibly final term in office.

of 184 million people. Crowds of radical Muslims, reacting to what

month, according to religious authorities.

taken on religious overtones.
In the biggest reported incident, more than

TAIWAN:

Drifting Away

(Continued from page 1)
in part because the Kuomintang

"He wants to sustain the separation with the mainland, because that's

the reality." He added: "Reunifica-

tioo is the state religion here. But ordinary folks are atheists."

Spy Operations

Cut in 1992,

Russia Asserts

MOSCOW - Russia cut its

spy force in 1992, a spokes-

woman for foreign intelligence

operations was quoted as say-

ing Friday by the newspaper

Thirty secret-service bn-

reaus abroad were closed, Ta-

tiana Samoilis said, which left

almost none in Africa and

In Moscow, she said, head-

British newspaper in Septem-

ber that he had closed bureaus

and halted operations in many

countries because of budget

With nearly 13,700 islands and 300 distinct linguistic groups, Indonesia, the world's largest

Up to 87 percent of Indonesia's population is

that "real" practicing Muslims account for "at most" 40 percent of the population.

UN General



Opposition deputies displaying their message on banners Friday in Taipei at the start of a 20-day session of the electoral college.

No Obstacles to Arms Pact, Moscow Says

major obstacles to signing a major and 3 ouclear-weapons reduction treaty Sochi. but dismissed reports that a date and place for signing the pact had been agreed to by Presidents Boxis

N. Yeltsin and George Bush, Foreign Minister Andrei V. Ko-zyrev and Defense Minister Pavel Grachev are to be in Geneva on final agreement on the treaty. Saturday for talks on the treaty, known as START-2, with Secretary

A Foreign Ministry spokesman said the Geneva meeting was part quarters staff has been re-duced between 30 percent and of an effort by both countries to complete work on the treaty, which would abolish all land-based mulo-Yevgeni M. Primakov, chief ple-warhead missiles and cut the two nadous' ouclear arsenals by of foreign intelligence, told a

about two-thirds. "I do ont think there are any obstacles," the spokesman said. The sides are unanimous on things that really matter."

He dismissed a report from the

DUTY FREE ADVISORY

Now, flying through Abu Dhabi

could change your way of life

Compiled by Our Staff From Dispatcher
MOSCOW — The Foreign Ministry said Friday that there were no

news agency Interfax that the treaty was ready to be signed by the two presidents at a meeting Jan. 2 and 3 in the Black Sea town of

The State Department said Mr. Eagleburger would arrive in Geneva on Sunday and had scheduled two days for talks that could pave the way for a summit meeting. The White House also said there was no

Both presidents are eager

complete the treaty before Mr. Bush leaves office Jan. 20. Mr. Eagleburger met Mr. Ko-zyrev in Stockholm two weeks ago; since then, lower-level negotiations have further reduced remaining disagreements. But in the latest round of talks, which ended Thursday in Geneva, negotiators were unable to resolve outstanding is-

sues. A U.S. team that met with Rossian counterparts on final details of the treaty returned home without closing gaps. Mr. Bush, briefed by his negotia-

tors, discussed the treaty by tele-phone with Mr. Yeltsin for about The most contentious has been 20 minutes late Thursday. The two Russia's desire not to destroy silos

zyrev also have spoken by telephone almost every day this week, trying to wind up the negotiations, the State Department said.

have centered on three issues, de-ments.

leaders have spoken several times about the negotiations.

Mr. Eagleburger and Mr. Ko
uses. Other issues involve Russia's uses. Other issues involve Russia's plans to reduce the number of war-heads on SS-19 missiles and its demand for restrictions on U.S. bombers as they are converted Negotiations in recent weeks from outlear to nonnuclear arma-

Hijacked by Belgrade, Independent TV Says

The hijackers also kidnapped and drugged the drivers of the five, trucks that carried the equipment, the station said. The drivers were released late Thursday after spending four days in a basement in a town about 30 kilometers (20

Pakistan Said to Seek Tanks

Avence France-Presse ISLAMABAD, Pakistan - Pakistan will buy 320 Polish T-72 tanks for \$450 million, sources quoted by the press here said Friday. No official confirmation could be obtained.

News of the hijacking coincided with an announcement on Belgrade television that citizens from the province where the hijacking took place had "donated a substantial made hundreds of flights despite the ban, according to the United quantity of technical equipment" to the broadcasting outlet of the Nations, which is weighing a U.S. self-declared Serbian state in Bosnia-Herzegovina.

"It was not an ordinary robbery," Studio B's general manager, Dragan Kojadinovic, said. "We

foundation that supports the devel-opment of independent media, and was worth \$238,000, Mr. Kojadinovic said. He added that the goods were part of a shipment of gear intended to allow Studio B to offer an alternative to state-run television. Mr. Milosevic has long relied on TV to fan the Serbian national-

BELGRADE - Armed men hijacked more than \$200,000 in U.S.donated equipment intended to al-low Belgrade's independent Studio B Television to compete with state-run television, the mainstay of President Slobodan Milosevic's reime, the station announced Fri-

niles) north of Beigrade, it said.

should expect more of this kind of pressure. It was policially motivat-■ Milosevic Wins, Officially The stolen equipment was do-nated by the U.S.-based International Media Fund, a New York

ist fever that has sustained his pow-

by irregularities. Somalia Force Finds 5,000 Mines

MOGADISHU, Somalia --French and U.S. troops secured the inland town of Hoddur on Friday and began the task of clearing thousands of mines laid by rival

taken by the U.S.-led military coalition. The 350 French Foreign Legionnaires and 250 Marines secured Hoddur's dirt airstrip and swept through the town of about 30,000. As in each previous deploy-

ment, on shots were fired. A U.S. Marine spokesman, briefing reporters in Mogadishu, said the French-American team had found an estimated 5,000 anti-tankand anti-personnel mines on roads and paths around the town, about 300 kilometers (185 miles) northwest of Mogadishu.

"Their main task today is to get a handle on the mine situation and clear the airport" for the resumption of aid flights, said the spokesman Eric Carlson, a Marine chief warrant officer. He said no mines bad been

found on the airstrip.

food by truck to large areas of the The United States suffered its first casualties of the Somalia mission Wednesday when a U.S. vehicle hit an anti-tank mine near Bardeta, killing a civilian employee of the army and injuring three State

on Friday, only two more towns are left on the multinational task force's list of targets. United Na-tions officials are drafting plans to take over the job of moving food to the starving.
No timetable has been set for the

change in command from the United States to the United Nations, diplomats at UN headquarters in New York said, but the Bush administration wants it done as soon

ound on the airstrip.

The UN secretary-general, Bu-tros Butros Ghali, who has urged

secretary of state, Lawrence S. Eagleburger, to discuss the shift.
Diplomats who attended a Security Council briefing by Mr. Butros Ghali on Wednesday night said the turnover of command was likely to be gradual, with UN peacekeepers moving into areas where roving bandits have been subdued. President George Bush, who will visit Somalia on New Year's Eve,

troops could be coming home by the time President-elect Bill Clinton takes office on Jan. 20. More than 18,000 American servicemen and women are in Somalia, either ashore or aboard ships just off the Indian Office coast. The Pentagon originally planned to

send 28,000, but that figure may be

has expressed the hope that U.S.

Still on the list of towns to be taken are Belet Uen, near the Ethiopian border in western Somalia. and Gailalassi, about 150 kilometers north of Mogadishu in an area still infrequently visited by relief

Italian and U.S. troops would leave Mogadishn on Saturday and arrive in Gailalassi on Sunday. Canadian

French and U.S. Troops Secure Inland Town of Hoddur the country. But an estimated 30 Compiled by Our Staff From Dispatches people a day still die in the town. Mines planted in the two years of

fighting among feuding warlords after they overthrew dictator Mohammed Siad Barre in 1991 have made it too dangerous to transport

Department security officers.
With the taking of the town of
Bardera on Thursday and Hoddur

Italian sources said a group of than most towns in central and the Americans to stay longer and in Gailalassi on Sunday. Canadian southern Somalia by a famine that has killed about 300,000 people in early in the week with the U.S. Uen on Sunday. (AP, Renters)

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TRANSITION / THE NEW TEAM

* POLITICAL NOTES*

Trade Representative Must Learn as He Goes

WASHINGTON - Mickey Kantor, President-elect Bill Clinton's choice to become the next U.S. trade representative, will be the latest person to take the job with very little background in trade issues. Mr. Kantor, a longtime friend of Mr. Clinton's, was the chairman of Mr. Clinton's election campaign.

His views on trade, if any, are a mystery to people who have worked with Mr. Kantor. Robert M. Strauss and Bill Brock, who took the job after successful tours as party chairmen, as well as Carla A. Hills, the former secretary for housing and urban development who currently holds the job, also had modest experience in trade issues when they took the office.

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Mr. Kantor, a partner at Manatt, Phelps, Phillips & Kantor in Los Angeles, heads a small group of lawyers who specialize in representing corporations before state and local regulators of air quality, transportation and other issues. George D. Kieffer, a partner at the law firm, said Mr. Kantor had done little if any work for foreign

But Manatt, Phelps has registered with the Justice Department as a paid lobbyist for the NEC Corp., based in Tokyo, NEC is one of the world's largest electronics companies.

Mr. Kieffer said he did not know of any work Mr. Kantor had

done for NEC, which is a client of the firm's Washington office. Facing a comparable situation, Mrs. Hills removed herself for one year after taking office from all issues handled by her former colleagues at the law firm of Weil, Gotshal & Manges.

One of the first trade issues to face the Clinton administration next year will be a review in March of whether Japan has met a target of buying 20 percent of its semiconductor chips from foreign companies. If Mr. Kantor removes himself because of NEC's position in the semiconductor industry, his deputy would have to make that it is the property of the production of the what is sure to be a politically sensitive decision on whether to retaliate if Japanese purchases fall short.

(NYT)

From Anti-War Activist to Pentagon Overseer

WASHINGTON - Ronald V. Dellums, who is almost certain to he the new chairman of the House Armed Services Committee, came to Congress in 1971 at age 35 opposing the Vietnam War. When the committee brushed off his demand for an investigation of war. crimes, he conducted his own informal hearings. Two years later, Mr. Dellums became a member of the committee. And soon the California Democrat, 57, will he in a position to hold any hearings he wants.

Over 21 years, Mr. Delhums's rhetoric has softened a little, his voting record has remained consistently liberal, and he has built a reputation for fairness and hard work that helped him and an Ohio Republican, Representative John R. Kasich, effectively challenge the B-2 Stealth bomber program.

Still, his ascension to the chairmanship — virtually assured when Representative Les Aspin of Wisconsin was chosen as defense secretary — is easily the most intriguing of the congressional shifts set into motion by President-elect Clinton's cabinet choices.

While Mr. Aspin has worked to shrink the Pentagon's budget, Mr.

Dellums prefers more drastic cuts. As he told the House in June when pushing unsuccessfully for a \$27.4 billion cut in the Pentagon budget, a full 10 percent reduction, "The Cold War is over, and our military budget ought to reflect that."

Front-Runners for Social Security Chief

WASHINGTON — Sources say that among the leading candidates to head the Social Security Administration, which runs the \$300-billion-a-year Social Security program, are Alicia Munnell, senior vice president of the research division of the Federal Reserve Bank of Boston; Lawrence H. Thompson, a former high-level Social Security official and now assistant comptroller general of the Umled States for human resources programs, and Sandy Casber Wise, staff director of the House Ways and Means subcommittee on Social

President-elect Clinton, on the people he has chosen for cabinet jobs: "They come from diverse backgrounds, and we will all be better and stronger for that diversity."

spoke mysteriously about what be termed "President Bush's own misconduct" and about notes taken at the time by Mr. Bush and delivered no Mr. Walsh only on Dec. 11. Than and Mr. Walsh's other remarks suggest that he intends to dig further and that he disagrees with the president's view that the nation should put the entire Iran-contra enisode behind it.

It is just conceivable, if unlikely, that some congressional committee might seek to question Mr. Bush about the pardons, either before or after he leaves office. When Gerald Ford pardoned Richard Nixon in 1974, Mr. Ford agreed to testify.

It is the pardon of Mr. Nixon that comes most readily to mind when evaluating those issued by Mr. Bush, even though it is one of the few precedents that he did not mention in his proclamation. The president cited the Lafitte pirates pardoned by James Madison after the War of 1812 and the draft evaders forgiven by Jimmy Carter after the Victnam War were, but they were very small fry compared with Mr. Weinberger and the others involved in the arms-for-hostages

The biggest difference between 1974 and 1992 is this: Mr. Ford acted before his campaign for a full term two years later, in the knowledge that it could cost him the presidency. Many believe it did.

Mr. Bush, on the other hand, waited until after the election, when the personal electoral risk would be all That deprives his action of the aura of selflessness that that Mr. Ford had no role in the Press reported from Washington. Watergate scandal that drove Mr. Nixon from office.

Mr. Bush put Mr. Weinberger in a different category from the other five men whom he forgave: They might have acted wrongly, he said, though they did so out of decent

But the former defense secretary, the president said, was "a true American patriot" who deserved to be honored by his country, not prosecuted by it. The subtext was clear. This man has done nothing wrong and is being unjustly perse-

Many in Washington will welcome that verdict; Mr. Weinberger is immensely well connected and popular with senior people in both parties. He is also 75 and ailing. But some of those who have spent years investigating the case, especially those on Capitol Hill, argue that none of that gave him the right to withhold notes of important meetings when asked for them. One person's patriotism may involve conduct, we are gravely concerned protecting a president; another's about his decision to pardon others may involve being frank and hon- who lied to Congress and obstructest with a congressional committee ed official investigations."

Perhaps Mr. Bush was therefore president, not his subordinates, and the proper forum is the voting booth, not the courtroom." The problem is that Ronald Reagan never faced the voters after the arms-for-bostages affair came to light. His successor, Mr. Bush, was not much of a target in 1988 and 1992, and could hardly have been judged on the issue, even if the electorate had been outraged, given

Again in Mr. Busb's phrase, the country is likely to "move on" now, toward and into the Clinton administration. One wonders whether even a Weinberger trial would have slowed that inevitable change of focus. Mr. Weinberger and Mr. MacFarlane will soon be forgotten by all but the experts, like Harold Brown and William P. Clark and

his protestations of noninvolve-

But George Bush will be remembered. All presidents are. And he will he judged and rejudged as the years go by, not only for what he did but also for the standards he demanded of those around him. History alone will decide whether he was too lenient with the Irancontra Six or whether, as he asserted, only his pardons could avoid

■ 'Crimes in High Office'

The pardons have prompted the prosecutor to suggest n White House cover-up of the Iran-contra cling to Mr. Ford's pardon, all the affair and "misconduct" on the more so since it was always clear part of Mr. Bush, The Associated

> that Mr. Bush was the "subject" of his investigation. That is a step below being a "target" - a person likely to be charged with a crime.
>
> He also said Mr. Bush's announcement of the pardons "dem-

> onstrates that powerful people with powerful allies can commit serious crimes in high office without conse-

up, which has continued for more than six years, has now been com-

investigation for six years, said Thursday his office learned Dec. 11 that Mr. Bush had withheld from prosecutors "highly relevant contemporaneous notes" he took as vice president during discussions of the Iran-contra initiative in the

Reagan administration. "The production of these notes is still ongoing and will lead to appropriate action," Mr. Walsh said. "In light of President Busb's own mis-

The Clinton Cabinet

Mr. Aspin, 54, has been chairman of the House Armed Services Committee for seven years. A former professor and a weapons expert at the Pentagon during the Vietnam War, the Wisconsin Democrat has served in Congress for 22 years, building a reputation as a defense expert partly on his efforts to expose Pentagon waste. BRUCE BABBITT, Interior

Mr. Babbitt, 54, a former governor of Arizona, has forged a reputation as a committed environmentalist and gridiock-buster. He has led fights to keep Western lands public and protected. He is president of the League of Conservation Voters.

ZOE BAIRD, Attorney General

Ms. Baird, 40, is senior vice president and general counsel at Aatna Life & Casualty Co. She was an Informal policy adviser to Mr. Clinton during his campaign, primarily on health care issues. She has also been a senior attorney at General Electric Co. and an aide in the Carter White House.

LLOYD BENTSEN, Treasury

Senator Bentsen, who turns 72 in February, chairs the Senate Finance Committee. The Democratic senator from Texas since 1970, he was Michael Dukakis's running mate in the 1968 presidential campaign.

JESSE BROWN, Veterans Affairs
Mr. Brown, 48, is a disabled Vietnam veteran, his right arm partially paralyzed from a 1965 combat wound. As an executive with Disabled American Veterans, where he has worked for 25 years, the Chicago native has vigorously campaigned against proposals to reduce some veterans' benefits.

RONALD H. BROWN, Commerce
Mr. Brown, 51, the first black chairman of the Democratic National Committee, has revamped his party's fund-raising, research and strategic operations. He was chief counsel to the Senate Judiciary Committee and served as general counsel and staff director for Senator Edward M. Kennedy of Massachusetts.

WARREN M. CHRISTOPHER, State

Mr. Christopher, 67, established his credentials as the No. 2 man at the State

Department under President Jimmy Carter. He is best known for his role in negotiating
the release of 52 Americans held hostage in Iran. He headed a commission that
examined the Los Angeles Police Department after the Rodney G. King beating.

HENEY G. CISNEROS, Housing and Urban Development

Mr. Cisneros, 45, gained national tame as the first Hispanic mayor of a large American city. He served as mayor of San Antonio, his birthplace, from 1981 to 1989, leaving public office to lead an investment firm and head communications and air charter

MIKE ESPY, Agriculture Mr. Espy, 39, serves on several House agriculture subcommittees and has fought cuts in farm spending. He has been a close Clinton ally, as a leader of his Mississippi campaign. He became the only black congressman elected in Mississippi in this century when he won his seat — his first elected office — in 1986.

HAZEL R. O'LEARY, Energy Mrs. O'Leary, 55, a lawyer, is president of the natural gas division of Northern States Power Co., a Minnesota utility that operates nuclear and coel-fired power plants. Sha was appointed to federal energy posts by both Gerald R. Ford and Mr. Carter and is

FEDERICO PENA, Transportation Mr. Pena, 45, became a controversial figure during his two terms as Denver's first Hispanic mayor, winning two runoff elections and surviving an attempt at a recall late in his second term. By 1990, when he declined to run again, Mr. Pena had helped to Improve the city's air quality and brought a new airport to Denver,

Mr. Reich, 45, is a Harvard University professor specializing in political economics. He was a driving force behind Mr. Clinton'a economic themes during the campaign, particularly the idea of improving the long-term economy through investment in infrastructure and worker education.

RICHARD W. RILEY, Education Mr. Riley, 59, is a former two-term governor of South Carolina, first elected in 1978, the same year Mr. Clinton became governor of Arkansas. Mr. Riley orchestrated a 1 percent sales tax increase in 1984 to pay for changes in his state's school system. He is a lawyer who served in the legislature in the 1960s and 1970s.

DONINA E. SHALALA, Health and Human Services Ms. Shalala, 51, has been chancellor of the University of Wisconsin's Madison campus since 1988. She has won praise for Innovative solutions to fund-raising and racial incidents. Sha served as an assistant secretary of housing and urban develop-

Prompted by 'Honor and Fairness'

PARDON: A Calculated Gamble

Ident George Bush's proclamation pardoning former Defense Secretary Caspar W. Weinberger and five others.

Today I am exercising my power under the Constitution to pardon right, theoretically speaking, in former Secretary of Defense Caright, theoretically speaking, in saying that "the proper target is the president, not his subordinates, their conduct related to the Irancontra affair.

> American patriot, He has rendered long and extraordinary service to

I am pardoning him not just out year-old patriot the torment of

duct related to the Iran-contra affair, Elliott Abrams, Duane Clar-

holiday with family members.

primary care.

and distinguished service to this country. And finally, all five have already paid a price - in depleted

savings, lost careers, anguished families - grossly disproportion-Caspar Weinberger is a true ate 10 any misdeeds or errors of judgment they may have commit-The prosecutions of the individ-

uals I am pardoning represent what I believe is a profoundly troubling development in the political and lengthy and costly legal proceedings, but to make it possible for him to receive the honor he deserves for ences. These differences should be legal climate of our country; the ences. These differences should be addressed in the political arena, without the Damocles sword of criminality hanging over the beads five other individuals for their con- of some of the combatants. The proper target is the president, not his subordinates, the proper forum

gle should be waged. Now the Cold War is over.

For more than 30 years in public service, I have tried to follow three precepts: honor, decency, and fairness. I know, from all those years of service, that the American people believe in fairness and fair play. In granting these pardons today, I am doing what I believe honor, decency, and fairness require.

Tough Woman to Head Justice

Zoe Baird Is Tapped as Breakthrough Attorney General

By Neil A. Lewis

New York Times Service WASHINGTON — Like generations of successful male lawyers, Zoe Baird, President-elect Bill Clinton's choice as attorney general, has repeatedly attracted the attention of influential lawyers who

sped her on to better things.

It was at the Justice Department she has been chosen to lead that Ms. Baird was noticed by Lloyd M. Cutler, the first of several mentors who were impressed by her intellect and her talent for getting things done with little fuss.

Mr. Cutler, then White House counsel to Jimmy Carter, recalled Thursday how he met Ms. Baird. The administration was preparing to hand out political patronage jobs for the 1980 census, but Ms. Baird, then a Justice Department official, had written a legal opinion saying that would be against the

"I already had lists from Democratic congressmen who wanted those jobs," Mr. Cutler said. "I went over there to talk her out of it. but ber argument carried the day."

He said he went back to the
White House to tell disappointed officials that the young lawyer from the Justice Department was right, that the jobs had to be given out on merit. He was momentarily annoyed but was also impress with her manner and scholarship. He invited her to join his office. Ms. Baird, 40, comes from a gen-

eration of women who became lawyers in numbers equal to men and who were candidates for the kinds of promotioo once only available

"She's a woman who came up through the old boys' network in an era when women could do that for the first time," said Joseph N. Onek, a lawyer who worked with her in the office of the White House

tion spread, many career employ-ees at Justice were thrilled and some were alarmed. It was clear that resolved shapes are selected in 1980 and appointed William French Smith. that profound change was coming.

It is not simply because Ms.

Baird, an accomplished and by all accounts brilliant lawyer, is the lawyer, is the lawyer.

Baird, an accomplished and by all accounts brilliant lawyer, is the lawyer. first woman to head the Justice job she now faces, Ms. Baird man-Department. It is because the department she will inherit has un- legal department at the Aetna Life-

the Democrats last controlled it. Some of Mr. Clinton's appointees in areas such as foreign affairs

'She's a very able manager and has proven that she can resolve difficult cases and bring order to complex organizations.'

have been quick to assert a continuity in policy. But Ms. Baird — because of her temperament and Mr. Clinton's desires - is expected to set about swiftly reshaping what has become Republican adminis-trations' beadquarters for promoting conservative legal and social agendas.

"She is tough, tenacious and gift-ed," Mr. Clinton said when he annonnced his choice. "She's a very. very able manager and has proven that she can resolve difficult cases and bring order to complex organi-

Mr. Clinton characterized the current Justice Department as

aged a major restructuring of the dergone a remarkable identity and Casualty Co. shortly after she change during the 12 years since took over in 1990. Actna, based in took over in 1990. Aetna, based in Hartford, Connecticut, employs about 120 lawyers and spends more

than \$90 million on legal fees. Currently senior vice president and the general counsel of Aetna, she has belped to reshape the company's policies in health care, insurance litigation and government

Ronald E. Compton, Aetna's chairman and chief executive officer, said that being the first woman attorney general would present no problems to Ms. Baird.

"She's used to being in a very high-pressured, high-velocity envi-ronment," he said, "She was the first woman vice president of Aet-na, and she has handled that extremely well. It would be very, veryhard to intimidate this woman. Let's put it this way: I haven't seen

il happen yet."
Another mentor, Warren M. Christopher, whom Mr. Clinton has chosen as secretary of state; played a crucial role in her selection as attorney general. They met-when Mr. Christopher was negotiating with Iran for the release of the U.S. hostages, and she was provid-ing legal advice. She later worked at his law firm, O'Melveny & Myers.

"What does Warren Christopher see in Zoe Baird?" asked Josh Gotbaum, a lawyer who worked with her in the Carter White House. "Someone very much like himself: Someone who is smart, incredibly er in the office of the White House poorly administered and beset by discreet, gets along with a wide infighting. It employs 80,000 people and who doesn't feel the need to show off."

CABINET: A Group With Something for Everyone

(Continued from page 1) of Representative Leon E. Panetta of California as director and Alice

M. Rivlin, former Congressional Budget Office chief, as his deputy. Mr. Clinton stressed in announcing the appointments to the economic and national security jobs that he was looking for teamwork - something that was not always visible in the Carter administration. Some Capitol Hill Democrats worry that he may have gotten it — but only by exiling to outer cabinet positions politicians with more in-

novative policy ideas. "Bob Reich and Bruce Babbitt will have more ideas about how to improve our economic performance than any of the people Clin-too has picked to do that job," said a congressional Democrat, who insisted on anonymity. Mr. Reich has

been appointed secretary or labor. Told of this comment, a transi-tion official said, "Bob and Bruce will be at the table. They'll be part of the dialogue, And in the end. Clinton will make his own policy." Mr. Clinton's relative disdain for

allention to the constituency ty. Ironically, Mr. Clinton had aping.

"I thought there really might be a,"

"I thought there really might be a,"

"I thought there really might be a,"

Council. Mr. Espy, who will give up his Mississippi House seat if confirmed for the agriculture post, was the most prominent black in the council and an early Clinton ally, But few others among either the elected officials or the think-tank ds identified with the council have found their way into the charmed circle of appointees.

Mr. Weber, one of the 'new conservatives" whose thinking on some issues parallels that of such Democratic Leadership Council in tellectuals as the economist Robert Shapiro, said on the record what some members of the Leadership political geography and his careful Council say privately.

claims reflects the growing assertiveness and influence of those look at this government and say groups inside the Democratic Parnow I know what direction it's go.

sures during the campaign, when bipartisan attack on poverty and he chose a virtual clone in Mr. Gore the failure of our education and as his running mate and kept his welfare systems, but I don't see, distance from the more militant elements of the feminist, racial and come from. You have a deficitminded OMB and some activist but. He and Mr. Gore both came out traditional liberals like Donna Shaof the Democratic Leadership lala [Health and Human Services],



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See The last

thited Press International

Following are excerpts from Pressand Robert McFariane. First, the common denominator of their mountains former Defense Secretary Caspar W. Weinberger and five others charged or prosecuted in the from contra scandal:

Today I am exercising my power Third, each has a record of long the struggle should be waged. Now the struggle should be waged. Now the contract of this case is the voting booth, not the contraction. In addition, the actions of the men I am particular took place within the larger Cold War struggle. At bome, we had a long, sometimes heated debate about how that struggle should be waged. Now the (Continued from page 1) or a prosecutor, no matter bow mysteriously about what he much it burts.

ment during the Carter administration.

of compassion or to spare a 75his extraordinary service to our

country. I have also decided to pardon

dozens of others who have held their jobs before them.

further national ructions.

Mr. Walsh said for the first time

He said: "the Iran-contra cover-

pleted." Mr. Walsh, who has pursued the

Away From Politics Michael R. Milkes, the former junk bond financier, will begin a two-month transition to freedom on Jan. 4, when he is scheduled to he moved to a halfway house in the Los Angeles area, a U.S. prison official said. Mr. Milken has served nearly 22 months of a two-year prison sentence for securities fraud. He is to he released from

custody on March 2. A Ku Klux Klan cross was erected on a public square in central Cincinnati, replacing one that had been knocked down earlier in the week. It stood largely ignored through the day after one man tried to topple it. The Reverend Jesse Jackson checked out of a hospital in Washing-ton, where he had been admitted with a fever and bronchial conges-

tion, and headed for Chicago, where he was to spend the Christmas

Maryland will dock welfare benefits of families whose children skip

school or don't get proper medical care, starting next month. Three youths were indicted on marder charges in the shooting death of Patrick Daly, a New York City school principal who was caught in the crossfire of an apparent drug dispute at a housing California's plan to pay lower welfare benefits to poor women and children who move to the state from elsewhere has been blocked temporarily by a U.S. judge. The policy, put into effect on Dec. I, is a

linchpin of Governor Pete Wilson's effort to balance the state

budget. Under it, newcomers would be limited for 12 months to the

• One of New York City's most influential labor leaders, Barry

Feinstein, has agreed to give up his union posts for one year and pay

amount of aid they had received in their former states.

a \$65,000 fine in a compromise agreement to resolve administrative charges that he misused \$500,000 in Teamsters Union funds, government and union officials said. A proposal to link state payments to hospitals to the quality of care they provide will made by the administration of Governor Mario M. Cuomo of New York. The plan, which state and hospital officials said was the first of its kind in the country, is part of a package of proposals intended to curb health-care costs and increase access to

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Unpardonable Pardon

is not shared or checked by any other branch of government. The abuse of that ultimate power may be the ultimate abuse of office. With his Christmas Eve pardon of Caspar Weinberger and five other defendants in the Iran-contra scandal, President George Bush committed that ultimate abuse.

If Mr. Bush had rested his pardon of Mr. Weinberger on the former defense secretary's health alooe, be might deserve credit for compassion. But he went on to lecture Lawrence Walsh, the independent prosecu-tor, against what he called "the criminaliza-

· tion of policy differences." That is a bogus complaint. Mr. Weinberger was charged with lying to Congress be-cause of policy differences; lying to Congress for any reason is criminal conduct. When Congress calls the highest executive officials to testify, as it did in probing Iran-contra, it is entitled to truthful testimony under pain of prosecution for telling falsehoods. Contrary to the president's statement Thursday, the "sword of Damocles" should hang over a witness sworn to tell the truth.

The president also defended the pardons by asserting that Mr. Weinberger and the others are patriots with distinguished records who have not profited from the acts of which they stand accused or convicted.

Of all the president's powers, the power to pardon may be the most awesome because it tencing, oot excuses for criminal cover-ups. perjuries and devious obstruction of legitimate congressional inquiry.

Of the six beneficiaries only Alan Fiers, former CIA director of covert action in Central America, even remotely deserved clemency. He wrestled with his conscience, and his conscience won. He testified against his former boss, Clair George, exposing the agency's lies to Congress about its role in the illicit aid to the Nicaraguan contras. For this genuinely patriotic act, Mr. Fiers suffered the scorn of officials and agents who valued a code of silence above the national interest in the truth.

When President Gerald Ford pardoned Richard Nixon for Watergate crimes - a precedent Mr. Bush ignored in his pardon message — he said he had acted to restore harmony and move on. Mr. Bush invoked the same sentiments. But the Nixon pardon was wrong, too, and Ford paid a political price, even though he was not in the loop of officials implicated in Watergate.

Mr. Bush remains implicated in Iran-contra, and in that sense be has shamelessly pardoned himself. Unlike Mr. Ford in 1974, Mr. Bush is beyond the reach of American voters. But he is oot beyond the reach of responsible opinion or of history.

-THE NEW YORK TIMES.

Tax Energy at the Pump

The rumor exists that the Clinton administration-to-be might look kindly on an oil import fee to help reduce the deficit. The contrary rumor, of course, can also be heard if only you listen carefully enough. But an oil import fee is such a bad idea that it

deserves to be knocked down now. The deficit does indeed need to be reduced, but an oil import fee is the wrong way to do it. Bill Clinton himself fed the specula-tion as to a fee in discussing the drawbacks of a rival proposal, a possible gasoline tax in-crease, in a recent interview. He made the familiar argument that a higher gasoline tax, in addition to being regressive, would fall disproportionately oo people in western states, who tend to drive long distances, then observed that in North Dakota "Kent Conrad just got elected to the Senate on an oilimport fee, which is different from a gas tax In the sense that it goes across all oil products and therefore hits the states that use oil for

other things, like home heating oil." That is a long way from an endorsement. but it wasn't a put-down, either.

It isn't clear yet that Mr. Clinton and his advisers have even come around to the need

for an energy tax. The progressive income tax remains the fairest hunting ground for the increased revenues that the government needs. Rates at the top were greatly reduced in the Reagan years; they could be restored a bit, as Mr. Clinton has already proposed, and no harm done. In the Reagan-Bush years, various steps were also taken to close down the personal exemption and some of

the more familiar exclusions and deductions as income rises, as with the partial taxation

since 1983 of Social Security benefits. More

of that could usefully be done, too. For those who, for environmental and/or fiscal reasons, think that there ought to be higher energy taxes as well, the question occurs: What kind? All such taxes would be regressive to the extent that their distributional effects were not offset. The gasoline tax, while encouraging conservation, would have the additional political liabilities of being highly visible and tilting against the West. But an import fee would also have a regional tilt; it would likely fall hardest on the Northans's when many tacally desired. the Northeast, where many people depend on oil to heat their homes.

Its worst side effect, however, would be the windfall it would create for the domestic energy industry. The price of imported oil would go up so many dollars a barrel; the price of domestic oil would be free to follow. Users of domestic oil would pay a higher price, but the proceeds would go to

the oil companies, not to the government,
Advocates from energy-producing states
— Treasury Secretary-designate Lloyd Bentsen has been among them - say that the higher prices would stimulate domestic production and help reduce the trade imbalance. But that's not clear, nor is it an efficient way to produce the result. For a country suppos-edly in search of freer world trade, an oil import fee is not a good idea, either. The easoline tax is a better alternative.

-THE WASHINGTON POST.

Collapse of an Air Deal

Work on 'Open Skies'

Sadly but wisely, the Bush administration has rejected a proposal by British Airways to invest \$750 million in USAir. This quasi merger would have benefited U.S. travelers modestly. It might also have had a much stronger benefit, advancing the administration's strategy for prying open foreign business for U.S. carriers. But the British government would not go along and so, in the end. the Bush team was right to say no.

Air travel between the United States and Europe is swathed in restrictive agreements that prevent strong U.S. carriers from com-peting head to head with foreign airlines. That means high prices and few flights. To protect their coddled national carriers, the European Community countries have refused to negotiate for "open skies." So last summer, the United States adopted a bold strategy of picking off one country at a time.

In July, the United States signed an open skies treaty with the Netherlands. That treaty looked oddly one-sided: It gave U.S. carriers access to a postage-stamp-size country, while giving the Dutch access to the United States. But the administration's rationale emerged later when KLM, the Dutch carrier, took advantage of the treaty to seek approval for a plan to link up with Northwest Airlines. Threatened by KLM's privileged access

A Loss for the Public

British Airways' decision to back out is a victory for other U.S. carriers that had been lobbying against the proposed arrangement with USAir on a oumber of grounds—all of which boiled down to fear of stiffer competition. Their highest grounds were that the proposal should be tied to increased access by all U.S. carriers to passengers in Britain. The effort to secure more rights in Britain should be pursued, but so should foreign investment in America's airlines to improve

prospects for a competitive industry. British Airways had proposed to invest \$750 million in USAir in exchange for 44 percent ownership and 21 percent of the voting rights in the U.S. carrier. U.S. law allows foreign nationals to acquire up to 49 percent of the equity and 25 percent of the

to the lucrative U.S. market, other European carriers began to seek U.S. partners. But their applications, unlike KLM's, would face opposition because their governments had not signed open skies treaties.

British Air's proposal would have given veto rights over important USAir decisions, a possible violation of U.S. law. The suspect provision, which required the administration's approval, became the crowbar to pry open London's Heathrow Airport to U.S. carriers. The tactic was smart. But as this past week's events showed, it failed.

Given Britain's recalcitrance, the administration was right to reject the deal, otherwise lopsided. It would have left such U.S. carriers as American and United at a disadvantage because they are not allowed to fly to Heathrow freely. A combined British Air-USAir operation would have offered travelers more inviting choices.

More important, approving this one-sided deal would have cost the administration credibility and crippled efforts to negotiate open skies with the rest of the Community. All might not be lost. British Air and USAir may yet work ont a more acceptable arrangement. Or USAir might seek a different foreign partner — perhaps from a country willing to accept open skies. That remains a prospect worth fighting for.

voting stock, but under no circumstance to "control" a carrier. British Airways had sought the agreement to gain more access to the U.S. market. It now is allowed to fly only point-to-point between Britain and the United States, with no traveling on to other U.S. destinations. The USAir relationship would have provided "feeder" traffic for

-THE NEW YORK TIMES.

British Airways from places served by USAir, and it would have fed passengers from Britain to USAir for connections. Transportation Secretary Andrew H. Card Jr. agrees that carriers from everywhere would benefit from a loosening of restrictions, which would feed competition, and that U.S. carriers certainly could benefit from more foreign investments. The USAir-British Airways proposal could have

begun to serve both these ends. - THE WASHINGTON POST.

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Get Started On the Zones Of Freedom

By A. M. Rosenthal

N EW YORK — Now that Bill Clinton has his foreign policy team in place he owes himself, the United States and the world one thing more: a foreign policy that will strengthen and extend the zones of freedom.

It is in the zones of freedom that people can walk free, talk, worship and vote free. That condition of life would be sufficient reason for the United

if the would be sufficient reason for the United States to adopt more and stronger zones of freedom—also known as human rights and democracy—as its foreign policy goal.

All right, idealism. Americans often act as if they are embarrassed by the word. But, put to them plainly and in embraceable cause, they accept it. Else, why the long fight against fascism and communism—and why in heaven would U.S. Marines now be in Somalia?

But there is another important reason. Zones of

But there is another important reason. Zones of freedom usually are zones of peace, a phrase re-cently used at Yale by outgoing Undersecretary of

cently used at Yale by outgoing Undersecretary of Defense Paul Wolfowitz.

Nations living under the protection of democracy and human rights do not go to war with each other. Idealism plus self-interest equals democratic realism — the equation for liberty and peace.

In the 1992 campaign, the presidential candidates did their best to convince Americans that jobs, jobs, jobs were more important than free-dom, freedom, freedom. Yes, the economy is

essential and of course an economically weak
America can't help the world.

But those truisms became puffed up to a moral
philosophy. They are neither moral nor a philosophy. Economic policy can cost or save jobs. Foreign policy costs or saves lives. History knows the difference, as do mourners.

Here on the desk is a fat pile of statements and speeches that show Mr. Clinton knows, too: his comments on Communist Chinese brutality, Hai-

WASHINGTON — Bill Clinton's selection of Tony Lake

and Sandy Berger to head the Con-ceptual Frameworkers Union down in the White House basement sends an unmistakable signal to the world: The foreign policy of the United States will be a far cry from the one denounced Oct. 2 by candi-date Clinton in Milwanker.

date Clinton in Milwaukee. In that speech, which might have been titled "It's Foreign Policy, Stu-

pid," Mr. Clinton attacked a Bush

"policy that embraces stability at the expense of freedom" and called for one "that lights fires in the hearts of millions of freedom-loving

people around the world."

The primacy of Mr. Clinton's National Security Council staff in foreign policy was underscored by the designation of Warren Christopher, a Weltanschamung-free negotiator, as secretary of state. He will be traveling a lot, leaving the administration of the department to his department and

of the department to his deputy, an

experienced pension-fund manager.
We need bold new thinking to

ide us in this new era." declaimed

Mr. Christopber, who therehy

showed he needs a hold new

speechwriter to steer him away from

the cliches of an old era. The bolding SecState should also resist

and at least make threats to the Serbs. (Mr. Bush and Mr. Clinton



tian refugees, the genocide in Bosnia, tyranny in the Middle East, arms control, Somalia and so on. They are sophisticated and compassionate comments; interesting how often the two are inseparable. But they are a foundation, not a building.

The fact that Mr. Clinton is untested in foreign

affairs makes his own imprint and leadership es-sential. Neither America nor the world will jump to attention to a fax from the State Department.

Going in, Mr. Clinton has one great advantage— the fall of communism. Now all he has to do is devise a policy that will deal with outbreaks of genocide, starvation, religious massacres, the break-up of the Soviet empire into nationalities bound by mutual detestation, international terrorism, militant Islamic fundamentalists and the approaching acqui-sition of nuclear power by Mideast dictatorships.

In all this, the American people have more than a glancing interest. But diplomatic and intelligence specialists already warn him against candor.

Diplomatic secrets are important, occasionally. But secretiveness is something else — a distorted mind-set that comes out of distrust of the public and a conviction that diplomats, unlike other burnan beings, have the right to cover up their actions and mistakes. Like, for instance, the buildup of Iraq and

Expect Some Shots From the Stay-at-Home Folks

By William Safire

forget only the endangered Kurds.) Intervention is in, Although the Pentagon qualifies that with "we do

deserts, but we don't do moun-

tains," our military establishment
— part of Washington's dovecore
for a generation — oow goes along
with global burden-bearing, provid-

ed it is short and solitary and not

nasty or brutish.

Much of this new readiness to enforce law or establish order may

but to justify the continuance of hig budgets, but the Joint Chiefs are effectively buttressing intervention on behalf of the new idealism — as

espoused by the Vietnam dissenter

If the former liberal doves and conservative hawks are now human-

rights bedfellows, where will the op-

position to intervention come from?

Though isolationists are presently

The first opposition to be heard

unelectable, the law of ideological

from is respectable. As Gerald Seil

reports in The Wall Street Journal.

conservative Senators Hank Brown

of Colorado, Malcolm Waliop of

Wyoming and Robert Smith of New Hampshire voted against the resolu-

compensation is ineluctable.

Bill Clinton.

alarmist insertions from Al Gore

about "the very destruction of our

planet's life-support system."

Let us assume that Mr. Clintoo's four foreign-policy addresses, culminating in the Lake-Berger Milwaukee speech, form the basis for his riches of America's house should be supported by the state of America's house should be supported by the state of America's house should be supported by the state of America's house should be supported by the state of America's house should be supported by the state of America's house should be supported by the state of America's house should be supported by the state of America's house should be supported by the state of America's house should be supported by the support of America's house should be supported by the support of the support of America's house should be supported by the support of the support of

his vision of America's shouldering

of responsibility in the single-super-power world. Also assume that his

choice of James Woolsey to head the CIA, heartening to hard-liners, is evidence of his desire to refocus

that agency's mission and to make its product more usable,

ocrats have recovered from their

generation-long Vietnam trauma and have returned to the Wilson-FDR-Truman-Kennedy-Johnson view of the American burden, or at

least a multipolar version thereof.

That stunning, historic turnabout has had an immediate effect: Be-

cause Mr. Clinton publicly support-ed intervention in Somalia and air

cover and arms for the besieved Bos-

nians, George Bush - after calling

the latter "reckless" - felt politically

free to send U.S. troops to Africa

What this means is that the Dem-

Iran and the current itch to make Syria respectable.

Mr. Clinton knew the public could understand

Mr. Cinton knew the public could understand economic policy. It is time for him to let some fresh air into foreign policy.

To start with, a public roundtable on foreign affairs, chaired by Mr. Clinton, would help the country understand where it is going and why. Democratic realism does not mean automatic interpretation. tervention. The idea is to win ground, not lose it in senseless or doomed action.

America has the right to hear from Mr. Clinton

and his appointees precisely how far they are ready to go in Yugoslavia, for example. Is the goal to save Bosnian lives, which is morally imperative, or also

the current boundaries of Bosuia, which is oot? In the State Department, the Bureau of Human Rights needs a chief who has already made a name in the field - like Joshua Muravchik, who wrote the important book "Exporting Democracy." And it has to be involved in the economic and political policies that decide whether human rights flourish. The Inauguration Day speech approaches. Now, that would be a fine time for Mr. Clinton to begin fulfilling as president the hope he held out as candidate — to oourish the zones of freedom.

The New York Times.

don urging force against the Serbs; 18 of the 22 senators who voted nay

were Republicans, A conservative Democrat, Representative John Murtha of Pennsylvania, was skep-

tical about involvement in Somalia.

Certainly there should be voices demanding to know: "What are we getting into? Who is making what secret commitments? Under what principles? Why can't regional powers take on or shore the hunder."

ers take on or share the burden?

How do we measure success, limit

risk and end involvement?"

is worth listening to the far-out fantasticks. nique Moïsi calls "the challenge of

the new world disorder" that these suggestions have a point. It is the Time of the Cuckoo, anything might be possible. Look closely.

When the shock had sunk in, Mr.

Cuckoo?

You Can Be

The Judge

By Flora Lewis

PARIS — Foreign Minister Andrei Kozyrev of Russia stons the

50 other ministers at the conference

on Security and Cooperation in En-rope, promising help for Serbia from "Greater Russia" and reviving the

Walter Russell Mead, a profession

al foreign policy expert, writes in the soberly academic World Policy Jour-

nal that the United States can restore

its own frontiersman vigor and solve

the dangerous economic and social distress of Russia by buying Siberia

"at a fair price — perhaps in the range of two or three trillion dollars."

He acknowledges that is a lot more than the per acre price paid for Alaska, but points out that "real estate, oil and gold are all up since 1867, and the dollar is down."

There is such a confusion of proposals and arguments about how to meet what the French analyst Domi-

It may be a time when it

harshest Cold War rhetoric.

Kozyrev took the floor again to explain be had performed a charade. But he wasn't joking; he was seriously forewarning what the world would be hearing from Moscow if the national-

ist-Communist opposition to President Boris Yeltsin came to power.

"They talk of shock therapy," be told correspondents afterwards.

"Well, this is shock diplomacy."

It is an innovation, Nothing in the

annals offers a precedent for such a coup de theatre, plenty of swaggering bluff, yes, not such farcical fright. The Mead article is full of statistics, economic models and predic-tions about how U.S. development of Siberia could lead to wiping out the budget deficit, bring manufacturing jobs to revitalize America's inner cities, and "rediscover a sense of nation-

al unity and purpose."

It sparks visions of a Wild East division of the new frontier, maybe a compelling new Hollywood genre about tough, self-reliant engineers versus rampaging cossacks, which, of course, would be called "Easterns."

States is also the best way to solve

Russia's problems, the author sug-

gests. It would make "Russia a

But if all does not go well somewhere, these seekers of clear definitions and goals will be joined, perbaps overwhelmed, hy the "troubadours of trouble," in Clare Luce's phrase: isolationists of the resentful right, Perot protectionists, diplomatic accommodationists, and "Given its social and economic problems, it is not surprising that Russian democracy is under attack,"
Mr. Mead argues cogently, "If democracy cannot guarantee a decent
standard of living for the people and diplomatic accommodationists, and old New Left peaceniks now lying cannot show that Russia is respected abroad, it has little foture in that proud and angry land."

The Clinton foreign-policy consensus is creating a vacuum, and politics abhors a vacuum. Unreconstructed interventionists know gagement to stop mayhem and promote democracy — and we're waiting to see who emerges to lead the side of determined detachment

Curves Ahead for Clinton on the Trade Policy Road

WASHINGTON—It could have been a defining moment at the Little Rock economic conference: Rudiger Dornbusch of MIT was answering a question from Treasury Secretary-designate Lloyd Bentsen. What are the possibilities, Mr. Bentsen had asked Mr. Dornbusch, of

getting Japan to open up its markets further to foreign goods? Mr. Dombusch said he hoped the Clinton administration would apursue that discussion more productively

than in the last 12 years, when there were hundreds and hundreds of negotiations and no progress whatsoever."

And then he added, referring to Mr. Clinton's surprise designation of a University of California economist, Laura D'Andrea Tyson, as chair of the Council of Economic Advisers: "Surely, that is a first message to Japan that we'll pursoe serious trade

words as mere words.

By Leslie Gelb

N EW YORK — People actually do do fine and noble things. So allow this pundit to interrupt the

usual flow of complaints and howls and give these

holiday bouquets to those whose good works expose

The people of the relief organizations in Bosnia and

Somalia. Heroes all, they are beacons to our ever-

besieged humanity. In Somalia, organizations such as

the Red Cross, CARE, the International Medical

Corps, Doctors Without Borders, World Concern and

the International Rescue Committee kept millions

In Bosnia, the IRC plus others such as AmeriCares

International Orthodox Christian Charities, Doctors of

the World and the American Jewish Joint Distribution

Committee have fought to save lives amid mayhem. My.

thoughts go particularly to two people I recently met who touched, fed and comforted the refugees of the

Bosnian horror - Father Svetozar Kraljevic and Sister

Prime Minister Yitzhak Rabin of Israel, He took his

election mandate and transformed it into courageous

policies. He froze construction of new settlements in the

West Bank, loosened travel restrictions on Palestinians

and offered compromises to Syria and the Palesinians. This leader has staked his career on serious negotiations.

With all his current troubles, he represents the best hope

yet for a secure Arab-Israeli peace.

Ross Perot. For joining the presidential race and breathing fresh air into politics.

The leaders of Nizhny Novgorod, formerly Gorky.

The officials of this city, guided by the regional gover-nor, Boris Nemtsov, and the economic whiz Grigori

Yavlinsky, have turned Russia's third-largest urban cen-

ter into a model of democracy and free enterprise. Nizhny's citizens have been able to buy trucks with

vouchers, open shops and own their own farms. Proving

Janja Boras, Words tremble at their deeds.

alive while the world looked away,

By Hobart Rowen policy, and we have not in the past." Mr. Clinton did not take the open-ing Mr. Dombusch gave him to define a "scrious" trade policy. According to one insider, the president elect "had already heard an undercurrent of anti-

Japanese sentiment from some busi-

ness participants and, Bill, in his own careful way, retreated — he didn't want to appear to be taking sides."

A battle is going on in the Clinton camp on just how to reshape the failed Bush trade policy, and it goes well beyond Ms. Tyson's appointment to the CEA. She was not chosen as the top economic advisor because she be-lieves, as she says, in a "cautious, activ-ist" trade agenda. Mr. Clinton found her attractive because she is smart, and one of the few economists with a Ph.D. to have developed the theory

Thank-You Notes for Good Works

that a nation like the United States could pursue a competitive international strategy not by going protecdonist, but by emphasizing public investment at home. That is a glovelike fit with basic Clintonomics. Ms. Tyson's interest has focused on

helping American companies break down artificial barriers to entering the Japanese market. She wrote recently, "We must not be hoodwinked by the soothing notion, that in the absence of U.S. intervention, the fate of America's high-technology industries will be determined by market forces." In remarks last February to a business an-dience in Los Angeles, she said that "there may be some room for pressure — or 'bashing,' if you wish. But it should be informed bashing for high-quality American products."

that good politicians can get things done, anywhere. Hundreds of thousands of Germans. When their

government seemed stymicd by resurgent Nazism, ordinary Germans — 2 million this month alone — took to

the streets to protest racism and violence against foreign-

ers. These protesters represent the new Germany, a democratic Germany, and they deserve more leadership.

ture taxes. One hopes she will graciously avoid the

Ross Perot. For inexplicably abandoning the race, then entertainingly stretching even election year credulity by explaining that he did so to save his daughter's reputation. And for inexplicably rejoining the race, enlivening the presidential debates and teaching about the budget deficit and clinical paranoia.

Defense Secretary Dick Chency. He helped lead the

America through several military operations and began major cutting of the Pentagon budget — all with a

unimum of lying. Certain U.S. antomobile makers. Some Detroit execu-

tives remembered how to make a car that works. The

Lincoln division of Chrysler even put air bags on the

passenger side of one of its cars. Now the passenger has

Ross Perot and the American people. For liking and amusing each other, without the latter turning over the

White House to the former.

Vaclav Havel. For remaining civilized in a sea of

Bill Clinton. Because it will be hard to earn bouquets

once he becomes president and makes the kinds of

terrible mistakes pundits were put on earth to condemn

concluding a column with the dull truisms seeking always to burst from my soul — "History will judge," "It remains to be seen" and "Only time will tell."

... The New York Times.

Myself. For two years of punditry without ever once

in the name of bumanity and truth.

as much right to survive an accident as the driver.

loophole of deducting real estate depreciation.

Queen Elizabeth. She graciously agreed to pay fu-

But, peter-principled to the CEA, Ms. Tyson won't be the key player for Mr. Clinton on her specialty. She will be preoccupied with broader macro-conomic issues, such as investment, savings, taxes and the budget.
In many ways, Mr. Clinton has already made it clear that he basically is

a free-trader, but intends to get tougher with Japan. Mr. Bentsen's com-ments in Little Rock showed an impatience with Tokyo's determination to press exports abroad while its domestic economy sinks into recession.

The trade policy debate in Little Rock comes to this: Will U.S. competitiveness be solved by scapegoating Japan and Europe for their successes, or by fixing what has gone wrong in America? It would be a big jump from an aggressive policy aimed at opening up foreign markets to blaming every-thing on U.S. trading partners. Mr. Clinton should evolve a policy

that is neither mindlessly committed to free trade, nor a drift into protec-tionism. The outlines of a practical middle course were set out by policy adviser Robert Rubin in a statement published by the Cuomo Commission. The problem is that the presidentelect is also pulled in other directions. A new addition to the Clinton transition team bolstering an already influential hawkish wing is Mike Wessel, drafted from the staff of Majority Leader Richard Gephardt. The Washington Post.

stronger country and oot just a richer ooc," and with the vast capital transfer Russia could "begin to advance into the first world, rather than sliding into the third." Its immense new purchasing power could be used to require foreign invest-

ment as a condition of orders. There are intricate details on how the United States could finance the scheme, and generous promises for the people who live in Siberia.

The small nationalities of the region would receive settlements based on the recent settlements of indigenous land claims in Alaska. All the inhabitants of Siberia would become American citizens with all the rights and privileges the rest of us enjoy plus the right to use their native languages in official business in the new territories. . . Those who choose to live under Russian rule would he free to leave with guaranteed fair compen-

sation for any property left behind."
When the United States takes ownership, Siberia would be divided into territories, due to be admitted to the Union with rights equal to the 50

present states.

It is intriguing and andacious, and prompts a second look at the ritle of the article: More Stars in Our Flag

A Modest Proposal for U.S. Policy
After the Cold War. Echoes of Dean Swift's modest proposal to resolve the Irish famine by eating the children? But there is nothing inhumane, if this is a satire, and the purchase of Alaska by President Abraham Lin-

coin's secretary of state used to be talled "Seward's folly." No longer. The earnest people aren't making much sense about the world these days. It may be a time when it is worth listening to the far-out fantasticks. D Flora Lewis.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Dublin Explosion

LONDON — The peace of Dublin was terribly disturbed on Christmas Day by a dynamite outrage of an inexplicable sort in the immediate neighborhood of Dublin Castle, at the Detective Police Office, at the rear of the Chief Secretary's Cham-bers. The explosion was heard for miles around. A detective officer was killed, though a suspicion prevails that it was the Castle that was aimed at The police authorities consider that the motive was a desire to retaliate for the disappointment caused by Mr. John Moriey's MP, refusal to liberate John Daly, in an English prison, though other convicts were released.

1917: 'Bully Christmas'

PARIS — Thousands of American soldiers and sailors were warmly welcomed and royally entertained at a dozen different places that extended Christmas invitations to them. The feature of the day was the cutting of

the famous 360-pound "Liberty Cake," at the Hotel du Pavillon, Music and a concert were among the side attractions. Every American was made to feel at home, and the laughter and songs were evidence that all the boys were having a "Bully Christmas."

1942: King's Message LONDON - From our New York

edition:] In a Christmas message to British peoples throughout the world, King George VI stressed the impor-King George VI stressed the impor-tance of the empire and said the war had shown "the value of what we might have lost." Speaking over the radio, he declared that "the lessons learned during the forty months behind us have taught us how to work together for victory," and added that "we must see to it that we keep to gether after the war to build a worthier future." "The message of Christmas," he said, "is a message of thankfulness to the Almighty for His great mercies, and of hope for the return to this earth of neace and cood will." of peace and good will."

Italian Bank Faces Trial on Iran Loans

Financiers Also Accused in U.S. Case Over Funneling Illegal Funds to Iraq

By Steve Coll

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Weshington Post Service VENICE - Prosecutors here are preparing for a criminal trial in which they will charge that the Italian bank at the center of controversy in the United States over its alleged role in funneling illegal loans to Iraq during the late 1980s also was helping to finance improper arms sales to Iran.

The prosecutors say that both the bank's senior executives and the Italian government were aware of the illegal trade with Tehran.

Italian prosecutors allege that state-owned Banca Nazionale del Lavoro's seninr executives in Rome, branch officers in Paris and Turin, and senior Italian government officials in charge of controlling arms exports to Iran and Iraq all participated in an elaborate scheme to finance and dismise shipments of arms and munitions worth at least several hundred million dollars to Tehran's Ministry of Defense during the latter years of the Iran-Irao War.

The alleged shipments violated an Italian ban on arms sales to either side in the war. Bank executives and the accused Italian officials -including three members of Italy's secret service who sat on the Rome government's interagency export control committee — have denied the charges, which are due to come to trial in February. Fifty-nine people have been indicted. Questions concerning who knew

Japan Politicians

Given \$3 Billion

TOKYO - Japanese politicians. perceived as greedy and corrupt after a spate of funding scandals, were given 356 billioo yen (\$3 billion) in political contributions by es last year, tax anthorities said Friday. That is the figure according to 1991 tax returns by more

than 64,000 Japanese firms. The Sagawa affair, Japan's third political funding scandal in four years, has put the spotlight on how ies, needing favors, woo politicians with secret, undeclared

what about illegal arms trade in the Middle East, and when they knew it are at the center of the related controversy involving the bank in the United States. There, prosecutors are preparing for the retrial of the bank's Atlanta branch manager, who is accused of arranging unauthorized loans to President Saddam Hussein's government.

Much of the controversy about that case has arisen from charges that the accused branch manager has been made a scapegoat for a scheme to help Iraq that involved more senior figures at the Italian bank's headquarters and possibly in Western governments.

A Justice Department inquiry exonerated U.S. officials of any involvement in such a cover-up. The inquiry concluded that the original decision to accuse only the Atlanta branch manager, and not more senior officials at bank, did not result from any effort to avoid embarrassment about U.S. dealings with Iraq. Rather, it said, the reason was a disagreement among prosecutors over whether the evidence justified charges against anyone other than the Atlanta manager.

At the same time, the report noted that prosecutors may not have considered adequately involvement by senior bank officials because of "a mindset" that made them discount evidence contrary to their theory of the case.

The indictment here says that while U.S. prosecutors in Atlanta were concluding that the bank scheme involving Iraq did not justify charges against senior bank ex-ecutives or government officials, their Italian counterparts looking into arms trade with fran -- working separately and with different evidence — were reaching the opposite conclusion about their case.

Felice Casson, a Venice magistrate who led the Iran investigation. decided by mid-1990 that the evidence in his case justified charges not only against the members of the bank's executive committee in Rome but also against three secret service officials and four officials from the Ministry of Defense who sat on the government committee charged with approving sensitive exports to the Middle East. That committee during the 1980s supervised exports to Iraq.



Pope John Paul II, sending out his blessing to the world from Vatican City, condemned those responsible for violence.

In a 'Deaf' World, Pope Calls for Peace

VATICAN CITY - In an anished Christmas message, Pope John Paul II pleaded for peace in a world he said seemed "deaf and impenetrable" at times to a message of healing and hope.

Concerns about violence dampened holiday observances at Beth-

But worshipers worldwide also found reasons for optimism. Cubans took advantage of a relaxed official attitude toward religion, and Albanians celebrated the reopening of a church after decades

In Bahrain and the United Arab Emirates, Christmas carols and symbols such as Santa Claus were allowed to appear for the first time, the sign of liberalized attitudes toward Christianity in the Gulf, But in at least one other Arab country, signs of religious intolerance re-

From the central balcony of St. Peter's Basilica, the Pope inveighed against those responsible for hostil-ities to the Mideast and the planned and inhuman" ethnic war in Bosnia-Herzegovina.

sweet and powerful, especially you who brandish violent and murderous arms," the Pope pleaded in a strong voice to a crowd of 15,000 listening in the cold and rain at Vatican City.

Sometimes the earth seems "realdeaf and impenetrable" to the resence of a God who came "to heal the wounds opened in human-

The fighting in the former Yugo-slav republics drew special atten-tion from the Pope, who called on Serbs to lift their siege of Sarajevo in Bosnia-Herzegovina. "I am thinking of the children of

Sarajevo, of Banja Luka, of the people of Bosnia-Herzegovina, the hostages of planned and inhuman, olence," he said. But the head of the Greek Orthodox church, Archbishop Scraphim, said that Greece should defend the

rights of Orthodox Christians in the Balkans, including the Serbs. The archbishop cited what he termed "territorial designs" on

ity in southern Albania.

In Bethlehem oo Christmas Eve, pilgrims and tourists packed the Church of the Nativity. Outside, hundreds of Israeli soldiers and po-lice patrolled in a bone-chilling

The outlawed Irish Republican Army declared its traditional Christmas cease-fire in Northern Ireland, but it gave no indication of plans to halt bombings and bomb scares that are intended to drive the British out of the republic.

Io her Christmas message, Queen Elizabeth II acknowledged that 1992 has been a harsh year for her family, but also expressed sympathy for others who have suffered

She made oo direct mention of the family's troubles. But she told the nation that "like many other families, we have lived through some difficult days this year." She thanked those who had sent messages of sympathy.

Greek lands by the former Yugo-slav republic of Macedonia, and

use the words "Christmas" and "Santa Claus." Previously the holiday was referred to as the "festive

season," and Santa was taboo.

In Saudi Arabia, by contrast, religious volunteer police went into the central post office in Riyadh, residents said, and destroyed out-going mail thought to be Christmas

In Cuba, better relations between the Roman Catholic Church and the once militantly atheistic Communist government allowed more open celebrations.

But for many Cubans, this is a Christmas of rice and beans, of gifts not given and of prospects for a grimmer year. Chia has been struggling economically under a U.S. trade embargo and the end of

The Pope, moving to rebuild the Church in Albania, appointed four bishops to fill vacant dioceses in the former Stalinist state, Catholics in the northern Albanian town of Shkodra celebrated the return of English-language radios in Bah-rain and the United Arab Emirates ed into a sports hall under Commitheir cathedral, which was convertwere playing Christmas carols for nist rulers who outlawed religion.

Lithuania to Review Pardons of Former Nazi Collaborators

By Stephen Kinzer

VILNIUS, Lithuania — Lithuania's newly elected president says he is ready to review pardons issued to Nazi collaborators by the previous government, and has invited a delegation of Israeli Nazihunters to visit Vilnius in January.

"There are cases where certificates of rehabilitation have already been canceled," the new president, Algirdas Brazauskas, said in an interview. "I am looking forward to the arrival of the Israelis. They will the arrival of the Israelis. They will the issuing of pardons to anyone see that my government wants to who had been involved in killings do everything possible to resolve or acts of genocide. The former this problem."

An Israeli investigator who visited Vilnius recently to arrange the it had observed that elause. But last coming visit, Efraim Zuroff, head year the Wiesenthal Center proof the Jerusalem office of the Si-mon Wiesenthal Center, said he helieved that Mr. Brazauskas would respond to Israel's concerns. Mr. Zuroff was one of several Ho-locaust specialists who protested some of the pardons issued by Lith-

"There's a oew government up there, and it's a new day," Mr. Zuroff said from Jerusalem in a telephone interview. "I think I see a new openness and a new desire to reach a positive result."

Beginning in 1989, and accelerating after passage of a law in May 1990, the Lithuanian authorities issued more than 50,000 pardons to citizens who had been convicted of resisting "occupation regimes."

resistance to Communist rule led them to work with the German Army during World War II.

Amoog Nazi collaborators granted "certificates of rehabilitation" were some believed to have taken part in the killing of Lithuanian Jews. The Lithuanian authorities defended the pardons, saying people who received them had associated with Nazis because they hoped the German Army would help free them from Soviet rule. .

government, which was headed by Vytautas Landsbergis, insisted that duced the names of 20 pardoned people whose background, according to the center, included involvement in mass killing.

Io November, at around the time the Landsbergis government was defeated in an elections, officials quietly revoked four pardons they said had been issued in error. They revoked two other pardons earlier in the year.

peatedly asked Lithuania's government for a list of those pardoned, so it can compare the list against its own files. But the government has never released the list. Ohtaining it will be a principal goal of the Israeli delegation scheduled to visit Vilni-

Helen Joseph, 87, Foe Of Apartheid, Is Dead

JOHANNESBURG - Helen Joseph, 87, who conducted a long campaign against apartheid, died in Johannesburg on Friday.

For more than three decades,

apartheid's rulers sought to turn the often-ailing, always feisty Mrs. Joseph into a conperson, placing her variously under forms of house arrest and banning orders that prevented her from receiving more than one visitor at a time.

She was declared a "listed person" - a peculiarly South African punishment supposed to prevent her words from being quoted in any

Even when formally silenced, though, she oever accepted the re-strictions, imposed under the Suppression of Communism Act. "You can't silence yourself," she once

"The total period of her banning and house arrests was 20 years," said Carl Neihaus, a spokesman for the African National Congress, shortly before her death.

Throughout the years of apartheid, Mrs. Joseph's story was one of persecution, After the country's great cataclysm of unrest in 1960. she was placed in solitary confinement for more than four months -"a short term in jail never harmed anyone," she said. Tried along with Nelson Mandela and others in a treason trial that lasted until 1961. she was acquitted, unlike Mr. Man-

Each year on Dec. 25 she would organize a gathering to remember those imprisoned, in exile, banned or slain because of their opposition

Friends would line the road opposite her small cottage in Johannesburg's Norwood suburb, and cross over - one at a time - to

offer season's greetings. In the ranks of anti-apartheid and Winnie Mandela — who once lampshades and grand French fur-described her as part of their "fam-

ily." In the turmoil of the mid-1980s, when she herself was advanced in years, she appeared at mass protest rallies. Born in an English country town

in Sussex in 1905, Mrs. Joseph seemed set for a middle-class English life, either at home or in the colonies. She graduated with an honors degree in English from London University in 1927 and went on to teach for three years in India. When she arrived in South Afri-

ca in 1931 at the age of 26, however her manners gave oo inkling of the travails and upheaval that lay ahead. Settled in Durban and married to a dentist, she "threw herself into the lifestyle of a socialite," the lohannesburg Weekly Mail said in a 1986 profile. "Io those days she was known as beaotiful and flighty. leading a life of wining and dining and bridge parties."

Her friends agreed that her en-

listment in the Women's Auxiliary Air Force during World War II and her subsequent decision to become a social worker in Cape Town and Johannesburg exposed her to the realities of apartheid.

Robert E. Marshak, 76, a former president of the City College of New York and an expert on theo-retical physics, died Wednesday while vacationing with his family in

Cancún, Mexico. Pierre Culliford, 64, the cartoonist who created a world of paunchy elves with droopy hats, put them in a village of mushrooom-shaped huts and called them Smurfs, died

Thursday at his home in Brussels. Vincent Fourcade, 58, a New York-based decorator known for opulent Victorian interiors, died from AIDS on Wednesday at his home in Paris. Mr. Fourcade and his partner, Robert Denning, decorated elaborate homes in both the United States and Europe with campaigners, Mrs. Joseph was an associate of such persons as Nelson or velvets, tasseled curtains, fringed

An Ex-Chancellor's Concern for 'Soul of German People' and accept the country's 6 million Turkish and

By Craig R. Whitney

New York Times Service HAMBURG - Helmut Schmidt's eyes and ears may not be as sharp as they were when he was chancellor of West Germany 15 years ago, but his vision is. He worries about the future of this

height of the Cold War.

"The soul of the German people is in danger," he said in an interview at the weekly journal Die Zeit, where he is one of the principal editors.

What troubles him, he says, is not only the violence against foreigners that has stained Germany's reputation as nothing else has since World War II; it is that he cannot see when the external pretexts for such violence are going to end.

"No other country in Europe has as many neigh-bors as the Germans have," he said, "and historically, whenever Germany has been either too strong or too weak, there has always been turbu-

A wave of foreigners seeking asylum from the economic and social chaos that replaced commu-nism in Eastern Germany and then a wave of assaults, firebombings and violence against them and their shelters went unaddressed by the coun-

try's political leaders for ocarly two years. Finally, this autumn, hundreds of thousands of Germans took to the streets to show their abhorrence, and the Christian Democratic coalition goverunent of Chancellor Helmut Kohl acted, banning several far-right organizations charged with

stigating racial and ethnic hatred.
"I think the government has belatedly done

what had to be done - much too late, in my view," said Mr. Schmidt, a Social Democrat. "Now it's up to the judges and the courts to act quickly, and not let cases that take more than a year to come to trial end with a conviction for disturbing the peace, a couple of months in prison, and then a long probationary period.

Mr. Schmidt, 74, is the last living German chancellor of the generation that came of age in World War II. The horror of the Hitler years shaped his values, and his life. The Nazis were a dangerous and highly organized mass movement led by a brilliant and evil demagogue, and he sees nothing remotely similar in the groups of mostly unemployed young people responsible for today's trouble, if the authorities do their job.

"There is no reason to compare Germany today with Germany in 1932 or 1933," Mr. Schmidt said. But, he said, "Germany, with 80 million people after unification, is half again as big as Italy or Great Britain, five times as big as Holland and twice as big as Poland. On top of that there is Auschwitz and the rest of our terrible history. So all our oeighbors look at us with concern and alarm when things seem to be going wrong. Some-

times they overreact. As chancellor, Mr. Schmidt was regarded as being far from the left wing of his party. He is more openly critical of it now than he could be while he was chancellor, from Willy Brandt's resignation in 1974 until Mr. Kohl succeeded him in 1982. And he still sounds as jauntily self-confident in his

judgments.
"Uotil a few weeks ago," he said, "I could not

see how my party, which didn't want to change it, proposed to deal with the massive problem of misuse of the right by hundreds of thousands of people — oor could I see bow the government was going to deal with it by changing the constitution." The government and opposition parties agreed a

few weeks ago to amend and enlarge the constitu-tional provision to make it more difficult for people oot fleeing political, racial or ethnic persecution to say they are when they get to Germany. Until oow, all they have had to do to get temporary

asylum is to say they want asylum. They will keep coming, Mr. Schmidt believes, until the government hires additional adjudicators and takes other practical steps to speed the processing of applications and make it clear that unfounded ones will be quickly rejected.

Meanwhile, the peaceful protest marches de-

manding an end to violence against foreigners continue daily. Hundreds of thousands of Germans bear candles and tread the streets of the main cities to show that the democratic values of openness and tolerance must not be taken hostage by a

There are at least hundreds of times more people who are against violence against foreigners than there are young people who commit it." Mr. Schmidt said. "Whether these young people will learn much from this or change their behavior is

■ Appeal From Weizsäcker President Richard von Weizsäcker has called on

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Germans to broaden their definition of citizenship

other foreign residents as Germans, The Washington Post reported from Berlin. In his televised Christmas address to the nation,

Mr. Weizsäcker hroke with tradition and with the country's elected political leadership by urging that Germans combat anti-foreigner semiment by making "it easier for foreigners to get citizenship." Germany excludes foreigners from its main-

stream, he said, even in its language. He criticized news organizations here for using the term "Turks" to describe the three victims of last month's fatal firebombing of longtime Turkish residents in Mölln, near Hamburg. "Ten-year-old Yeliz Arslan, was born among us and oever lived anywhere else," Mr. Weizsäcker said of one of the victims. "Our media simply called them three Turks. That expression, based

solely on their passports, already suggests that they should remain forever foreign. But those three in Mölln belonged to us." Mr. Weizsäcker said Germany's "fall of unrest," a reference to this year's 2,200 attacks on foreigners by rightist extremists, is over and "lies behind us, but fear and anxiety have soaked into many

hearts and unrest simmers among the people, who search for orientation." The call for a more liberal citizenship policy is the most direct plea yet by a prominent national figure. The opposition Social Democratic Party also supports easing citizenship requirements, especially for second- and third-generation foreign residents, but it was unable to get a commitment for change from Mr. Kohl in recent talks.

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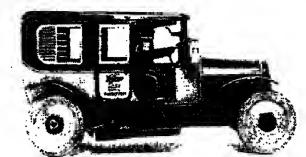
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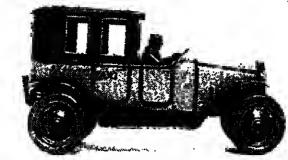
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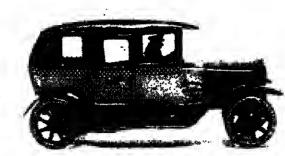
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NANNIES AND DOMESTICS









From Nathan Willensky's collection of toy taxis, a German model from the mid-1920s, a late 1920s open cab design, a 1924 Checker Cab manufactured in Germany, and a ceramic desk caddy made in 1989 in Pennyslvania.

Taxi? Here's a Show by a Man With 1,500 of Them (Toys)

By Rita Reif New York Times Service

EW YORK - Nathan Willensky takes taxis almost everywhere he goes, whether working or vacation-ing in New York City, Los Angeles. Houston, London or Ocho Rios, Jamaica.

"I'd rather take a cab than rent a car any day," said Willensky, 43, a food broker and wholesaler. "My four-year-old Caddy has less than 20,000 miles on the speedometer. I've probably done twice that mileage in cabs be-

tween here and JFK since I bought it."
Willensky not only relishes riding in taxis but likes looking at them, too. That's wby he has amassed 10,000 pieces of taxi memorabilia, including 1,500 toy cabs.

Currently, 100 of his artifacts are part of Cab Service would pick me up and drive me of Willensky's Yellow Cabs have been produced since 1970, after it became New York Museum of Manhattan, through August. Willensky's mini-taxis come in the form of

toys, cookie jars, pillows, salt-and-pepper shak-"I began collecting taxis 12 years ago with a bright Yellow Cab cookie jar," Willensky said.

t was a birthday present from my mother. She'd heard me talk about taxis since I was a kid. So, why not a cookie jar in the shape of a

Willensky's earliest memories of taxis date to his childhood in Atlantic Beach on Long Island. "When I was 10 years old, I lived very far from school, about a 20-minute ride by school bus," he said. "If I wanted to stay after school to play with friends, a oeighbor who ran Lou's

At age 13, Willensky and six friends would take the train to Manhattan and go by Checker to hear jazz in Greenwich Village. "Most drivers would let seven of us pile in," he said. "In those days, 1963, a ride in a Checker was cheaper than seven subway tokens, which were

More than half of Willensky's toy taxis have lettering on the door that reads "Yellow Cab" and are modeled on taxis produced by the company of that name, which was founded in Chicago in 1915 and was bought out by General Motors nine years later.

The costhest toy taxis today are the vintage varieties — the squarish models from the 1920s and the streamlined ones from the 1930s. Most

City law that all licensed cabs must be yellow and all other cars-for-hire a different color.

But toy taxis date to the turn of the century and were mass-produced after World War L. Before 1920, cabs spelled romance and highstyle living and were celebrated in songs like The Darktown Strutters' Ball," which begins,

"Til he down to get you in a taxi, honey." Willensky owns an original copy of the sheet music of the 1917 hit by Shelton Brooks. Even taxicab board games were created, but of the 10 Willensky has acquired, "none came close to the inventiveness of Monopoly," he said.

Willensky buys most of his taxi materials - toys as well as matchbooks, driver's hats, out-of-date medallions, licenses and plates -

from other collectors and at toy auctions. The items in his collection have ranged in price from 25 cents for a 1930s' postcard depicting a Checker cab to \$9,900 for a toy baggage truck modeled on those made in the 1920s by the Yellow Cab Co. to accompany a hack.

The toy, made by Arcade, an Illinois manufac-turer of cast-iron playthings, sold poorly and is now a rarity, one of two known to survive. Willensky bought the truck at a 1988 sale organized by the auctioneer Noel Barrett in New Hope, Pennsylvania. Two years later, Willensky was outbid at another Barrett auction when a toy taxi-limousine made by S. G. Guntherm Nuremberg brought \$30,000. The price is the record at auction for any toy car.

Why collect toy taxis? "There are enough taxis to make it interesting but not too many to prove frustrating," Willensky said, "There must be 30,000 or 40,000 toy buses. It's almost im-possible to collect that many of anything. And the competition among bus collectors is fierce. Cab collectors are something else. We're a friendly dozen people."

The most visible evidence of Willensky's interest in taxis is parked on the front lawn of his Long Island vacation house: the bright yellow fiberglass body of the taxi used in the 1978 film

Willensky sees his Checker-like taxi most weekends when he, his wife and their two daughters drive out in their Cadillac. "I bought the Caddy," he said, "because it came with what they called the taxi package: stronger shock absorbers and a longer warranty on the engine. It's guaranteed for 250,000 miles."

A Masterpiece Reassembled

By Matthew Rutenberg New York Times Service

LORENCE - The Italian art world has ignored the 500th anniversary of Columbus's arrival in America in favor of a series of exhiin 1492 of two other Italians: Florence's "first citizen," Lorenzo de' Medici, and the painter Piero della

The Lorenzo quincentenary is culminating in a buge display here at the Palazzo Strozzi, Yet a small show at the Uffizi through Jan. 10 - "A School for Piero," which seeks to demonstrate Piero's debt to Florentine art - is especially rewarding because it reunites one of the most important monuments of the early Renaissance, the St. Lucy altarpiece by Domenico Ven-

For the first time in more than a century, panels from the altarpiece Italy, the United States, England

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own, have long been considered among the loveliest and most sophisticated paintings of their era. But to see all the elements together is to realize that the alterpiece is even greater than the sum of its

yards square) depicts the Madonna and Child with Saints Francis, John the Baptist, Zenobius and Lucy. Beneath it are the five panels that make up the predella, illustrating stories from the lives of those

Three of these panels are particularly remarkable, "St. John the Baptist in the Desert" shows one of Florence's patroo saints casting off his garments for an animal skin. His nudity is a bold innovation in religious art, and his idealized form suggests that Domenico studied sical statuary.

The rocky Apennine wilderness in which the saint stands is striking In "The Miracle of St. Zeno-

and Germany have been brought bius," a predella panel depicting a together. These panels, on their dead boy being revived by the city's other patron saint, the hysterical grief of the child's mother is echoed by the "Dr. Caligari"-like architec-ture. This miracle is said to have occurred during the fifth century, on the Borgo degli Albizzi, one of the city's main thoroughfares; Do-The main panel (more than two menico represents the street as it might have appeared in his own

In its geometric harmony and refined palette, the "Annunciation," the center of the predella, despite being damaged on the left side, is one of the most nearly per-

fect images of its time.

The main panel of the altarpiece is a traditional devotional image with a group of saints symmetrically arranged around the Madonna and Child, outside time or place, Before Domenico, it was customary to separate these figures from the Madonna and Child.

His innovation was to place them all within a unified space, one that is elaborately conceived but ultimately irrational. In the lower half of the panel, the saints stand in front of arches that seem to be both behind and in front of them.

The gleaming pink and green marble architecture, behind which can be seen orange trees, evokes the

Little is known about Domenico Veneziano's life. As his name implies, he was from Venice. Yet his artistic education seems to have been in Florence in the 1420s, where he absorbed the innovations of Brunelleschi and Masaccio. He was, perhaps, formally apprenticed to a master of the more old-fashioned International Gothic style.

By 1439, Domenico was painting a series of frescoes for the church of San Egidio in Florence, A document ootes that he paid Piero della

there — the connection that forms the basis for "A School for Piero." These frescoes have all but disap-peared; a couple of scarcely revealing fragments are in the current

The St. Lucy alterpiece came later. It is usually dated around 1445-47, by which time Piero's style was fully formed, and he had little contact with Florence. So the centerpiece of the exhibition has little to do with its ostensible theme.

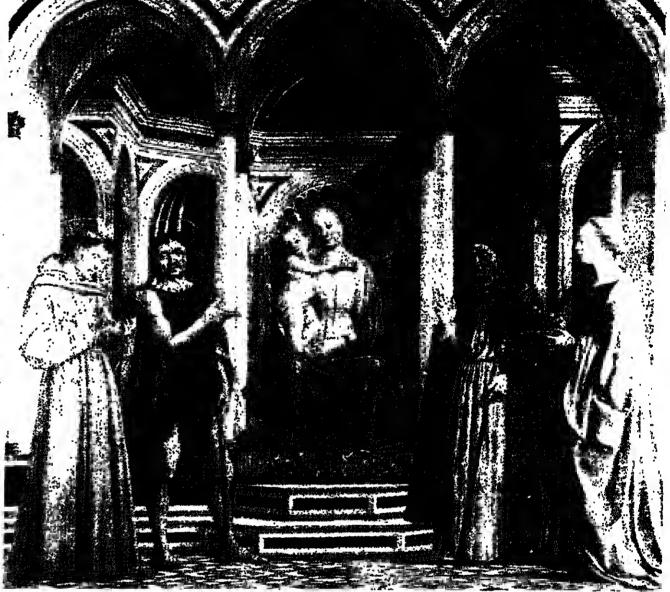
The 16th-century art historian Giorgio Vasari claimed that Domenico brought the secret of working in oil paints from Venice to

Vasari wrote that Domenico's work commanded such acclaim that a fellow artist, Andrea del Castagno, grew envious and murdered him. Since Domenico was buried in 1461 and Castagno had died four years earlier, this melodrama must be dismissed, though it suggests the sensation the Venetian's work caused in Florence. Little of this work survives: apart from the St. Lucy altarpiece, only six other paintings are now generally attributed to Domenico.

The altarpiece originally stood behiod the main altar of the Church of Santa Lucia de' Magnoli in the Pitti Palace in Florence.

The main panel was taken to the Uffizi in 1862. Apparently the elements of the predella were dis-persed before then. Today two of them are at the National Gallery in Washington; two are at the Fitzwilliam Museum in Cambridge, England, and one is at the Gemaldegalerie in Berlin. All these institutions have cooperated to make possible this remarkable reunion.

Matthew Ruttenberg, an art consultant in New York, wrote this for The New York Times.



The main panel of the St. Lucy altarpiece by Domenico Veneziano.

Georgia O'Keeffe and Alfred Stieglitz: Together Again full range to the resonances bewhile he boosted her career, she ing done by her male contemporartween the works. Strand to bring her to New York. There she went to live first with that had inspired her.

By Hank Burchard Washington Post Service

ASHINGTON — Georgia O'Keeffe and Alfred Stieglitz: together again! The Phillips Collection has opened the first joint exhibition of her paintings and his photographs since 1924, when the maturing artist and her aging mentor were married.

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Curator Elizabeth Huttoo

Turner makes a compelling presen-tation of the process by which the professional relationship between O'Keeffe and Stieglitz grew per-sonal and empowering, then dwin-dled as she outgrew his smaller tal-ent and withdrew from his increasingly dependent grasp.

Turner carefully avoids the sort of cant that clouds so much of

The show, which runs through current art scholarship. By not be-April 4, is an overdue celebration laboring the point but simply alof one of the most-famous collabo- lowing the artists and their actions rations in American art. It is to speak for themselves, she leads mounted in the discrete yet intimately interrelated spaces of the Goh Annex, in groupings that give O'Keeffe than he gave her, and that

O'Keeffe was a 20-year-old Virginian studying at New York's Art Students League when she first met Stieglitz, 44, in 1908 while visiting his famous 291 gallery, which at that time was the up of the leading edge of the American avant-garde Nothing immediately came of that meeting, but O'Keeffe kept current with the work of the Stieglitz circle by subscribing to his pioneering Camera Work magazine and corre-sponding with a New York friend who was a 291 gallery regular.

Studying and teaching art in South Carolina, Chicago, Texas and the University of Virginia, O'Keeffe developed a bare-bones abstract style that was entirely orig-inal and far ahead of anything be-

In 1916 she sent 10 charcoal drawings to her friend, who showed them to Stieglitz, who seized them to Stieglitz, who seized them his wife. and put them on display in his 291 gallery without O'Keeffe's knowledge or consent. O'Keeffe went to the gallery and demanded that Stieglitz take them down. He either charmed or overpowered her, and

they stayed up.

The following year Stieglitz gave
O'Keeffe her first solo show, which also turned out to be the last exhibition at his failing gallery.

Texas, O'Keeffe fell ill in the influenza epidemic that swep the country in 1918, and Stieglitz dispatched photographer Paul

Stieglitz's niece and then with

hadn't done any really notable work for decades. If O'Keeffe was energized by their relationship, Stieglitz was positively galvanized, producing series after series of photographs of O'Keeffe and clouds. As one follows the chronology of their work, presented at the Phillips

with spare precision, it becomes mescapably apparent that this is a case of a big talent being overtaken and overshadowed by a bigger one.

with photographs; in the begin- 98 in 1986.

In 1924, after individual shows at Anderson Galleries, O'Keeffe and Stieglitz had a joint one there: O'Keeffe was 31, just coming into her full powers. He was 55, and later in the year, after Stieglitz's

divorce became final, they married. It seems to have been an attempt, on both their parts, to strengthen a relationship that was strained by the gradual reversal of their roles. Her former mentor was by then advising her to give up the huge flower paintings that were to become her signature.

By 1929 O'Keeffe began summering in the American West, where she eventually settled; Stieglitz remained in the East. There was and overshadowed by a bigger one.

Summering at his family place on Lake George, New York, she painted and he tried to match her litz died at 82 in 1946, O'Keeffe at

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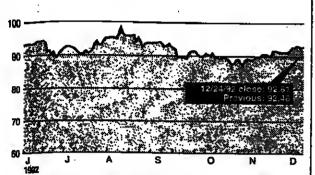
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International Herald Tribune, Saturday-Sunday, December 26-27, 1992



THE TRIB INDEX: 92.81

International Herald Tribune World Stock Index e, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

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Finance	85.94	85.54	+0.47	Consumer Goods	94.19	94,20	-0.01				

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ECONOMIC SCENE

Heavy Taxes on Cigarettes Would Lighten U.S. Deficit

New York Times Service EW YORK - Message to Bill Clinton: Looking for an easy \$40 billion to \$50 billion a year to pay for expanded health-insurance coverage, or perhaps all those ambitious plans to increase productivity? Look again at

That is what a coalition of antismoking groups led by the American Medical Association is likely to advise the president-elect when it meets next month in Washington. And while the economic

case for a radical increase in tobacco levies — say, to the Canadian level of more than \$3 a 'It's a case of pack — is problematic, the politics and arguably, the morality doing well by are alluring. "It's a case of doing well by doing good." concludes Kenneth Warner, an economist

at the University of Michigan's School of Public Health. Why a monster tobacco tax? Start with the money. The Advocacy Institute, a nonprofit lobbying group in Washington, estimated that adding \$2 a pack on top of the 46-cent average tax collected in 1991 would bring in \$35 billion a year. And while the tobacco industry is obviously prepared to fight, the success of big tax initiatives in California and Massachusetts in recent years suggest its power is on

Then, too, there is the fact that tobacco now is subject to relatively light taxes. The average retail price has tripled since 1979, topping \$1.50 a pack. But Jeffrey Harris, a doctor and an economist at the Massachusetts Institute of Technology, noted that only about 25 cents of the increase went to state and federal coffers. The rest was pocketed by manufacturers and wholesalers, as competition within the tobacco industry apparently failed to check a stampede

Were revenue the only consideration, it would be just as effective to tax bread. What makes tobacco different, of course, is that it is a health hazard. And in both the California and Massachusetts tax mitiatives, much was made of the financial burden smokers place

This "externalities" argument is not clear-cut. Smokers do get sicker earlier than nonsmokers: Tom Hodgson, the chief economist at the National Center for Health Statistics, estimated that smoking would add \$500 billion to the current generation's health-insurance See SMOKE, Page 11

Clinton Seen Offering Airlines a Lift

By Martin Tolchin New York Times Service

WASHINGTON — Helping the American washing for merping the american ariline industry recover from its \$8 billion tailspin since 1990 is a top priority for President-elect Bill Clinton and Congress, according to government and industry officials. Proposals under study, they said, include tax incentives, regulatory relief, global partnerships and revisions of bankruptcy laws to balater the travalled industry.

bolster the troubled industry. They also hope to persuade foreign govern-ments to provide greater access to U.S. carri-

ers that seek to expand their international That issue led to the abandonment this week of a plan by British Airways to invest

the fifth-largest U.S. carrier.

The deal fell through because the Umited States and Britain were unable to agree on steps to open their airline industries to greater competition. Its failure was cited by some as an example of how the industry and the

federal government should have been able to

work more successfully. "There is a sense that many of the interna-tional carriers are working in partnership with their respective governments, and that kind of partnership does not exist here in the United States, where our carriers are left to their own devices as they compete globally," said Federico Pena, who is chairman of Mr.

tary of transportation.

In an interview before his nomination was announced, Mr. Pena predicted that under Mr. Clinton there was "going to be much closer attention on the part of the federal government to the U.S. airline industry, to assure the ultimate survival of the industry. The industry went from a \$1.7 billion prof-

Proposals include tax incentives, regulatory relief, global partnerships and revisions of bankruptcy laws.

it in 1988 to a \$4 billion deficit in 1990, and \$2 billion deficits in 1991 and 1992, according to the Air Transport Association, which

represents the major airlines.

Mr. Pena said he envisioned more of a government partnership with the airline industry and less of an adversarial relationship. He supported tax incentives "to allow the industry to thrive, something that foreign governments do all the time." "We're all concerned about the thousands

Clinton's transition team on transportation and was nominated Wednesday to be secretor make sure that that doesn't continue to be to make sure that that doesn't continue to be

the trend in the future," he said.
Similarly, Representative Norman Y. Mineta, Democrat of California, who will be chairman of the House Public Works and Transportation Committee, said the airline industry would be "a top priority" of his

Mr. Mineta said be had already discussed specific measures with Mr. Clinton, including a reduction in the \$3 charge that some localities charge airline passengers. To remain competitive, airlines sometimes elect to pay the fees themselves, at a cost last year of \$1.2 billion to the industry.
Patricia Goldman, USAir's senior vice

president for corporate relations, cited these "passenger-facility charges" as an example of "an enormous number of regulations that have significant costs attached and significantly impact our bottom line."

Many industry observers said the airlines

were a primary victim of the faltering econo-

my.
We are very much slaves to the economy. said Jim Landry, president of the Air Trans-port Association, which represents the major lines. "A great many of our seats are being filled at below-cost prices. If there is an economic recovery, we'll get a return to a

See AIRLINES, Page 11

U.S. Arms Makers Emphasize Recycling

By Louis Uchitelle

New York Times Service PHILADELPHIA - The steel bulls of 12 big Chinook cargo helicopters on the assembly line of Boeing Co.'s helicopter factory have been sanded and burnished so that the silvery metal looks new. But small numbers stenciled in black on the hulls tell a different story. "022," one says, documenting that this was the twenty-second Chinook ever built, in 1961. None of the hulls is less than 15 years old.

Like so many military contractors, Boeing Helicopter is increasingly engaged in the re-building and upgrading of old weapons instead of building more expensive new ones. The conversion of old weapons into more modern versions, rather than simply overhauling them periodically as the Air Force does with the B-52 bomber, now appears to account for more than half the military hardware manufactured in America, and the percentage keeps growing. But as the numbers grow, so do the questions

about whether the economics of such an approach make sense. With military budgets shrinking, rebuilding a Chinook so that it can carry more cargo or an M-1 Abrams tank so that it is a more deadly weapon, is good busi-ness for weapons contractors, especially if it is a

The improved weapons sometimes end up costing the Pentagon almost as much as a new system. And while the practice saves money in the short run, weapons experts say it could bring on a crisis in a decade or so when Chinook and Abrams tank hulls are too old for yet

another upgrade,
"You get in the bind where the oldest model costs so much to run and maintain that you have no money to buy a new system," said Major Peter Keating, an Army spokesman.

Congress would then have to choose between raising military spending to purchase new weapons or letting the weapons inventory shrink as worn-out weaponry is scrapped. Nei-ther President George Bush nor President-elect Bill Clinton has addressed these issues.

"But right now, we have a lot of existing platforms with years of life in them, so we are looking for upgrades, and that trend will con-tinue," said Robert Hall, a Defense Depart-

The pressure to rebuild weapons has intensified because the cost of new weapons has kept rising even as the military budget has shrunk. The Pentagon, in effect, covers a weapons mak-

question of selling 20 improved weapons rather than only 6 new ones. er's costs, negotiating the amounts to be covered, and then adds a profit, as it has for more cred, and then adds a profit, as it has for more than two decades. As a result, the Pentagon has increasingly chosen to rebuild, say, 30 existing weapons rather than purchase 15 more expensive new ones.

> The practice has gathered steam since 1987, when spending on weapons procurement began to shrink, after reaching a record \$100 billion. Adjusted for inflation, the annual outlay today

> For Boeing Helicopter, as for many other weapons makers, upgrading weapons has kept factories open.

> Since the late 1980s, Boeing has been working on a contract that is costing the Pentagon more than \$5 billion to rebuild 538 older Chinooks into the Model D, which can carry more weight a longer distance. The Chinooks are flown here intact and then overhauled.

> The last helicopter in this process is to be returned to the Army by mid-1995, and after that the hope is to sustain the production line with foreign sales. "We have people girdling the globe, trying to sell new Chinooks," said Stuart

See-WEAPONS, Page 11

Japan's Outlook Turns Bleaker, Reports Indicate

TOKYO — A group of government reports released Friday added to the gloom about the economic

Unemployment rose in November, the data showed, while retail sales, construction orders and in-dustrial production declined.

One small bright spot was the sixth consecutive month of yearon-year gains in housing starts, but analysts said there were technical problems with the figures. "Housing starts are usually a good leading indicator," said an analyst at a brokerage research institute. "But rising private and rental housing starts skewed the data. Still-falling condominium starts reflect the real property market."

Housing starts rose 8.2 percent in November from a year earlier. Construction of private homes rose 2.5 percent, and rental properties zoomed 1.6 percent, reflecting planned tax credits. Condominium starts, however, fell 14.4 percent.

"The most important thing will be for fiscal stimulus," said Matthew Berlow, an economist for Credit Lyonnais. "An easing of taxation is one thing that would get

demand moving again."

Orders received by 50 major construction companies fell 8.1 percent from a year ago, the eighth monthly drop.

Industrial production fell 8.0 percent from a year earlier, the 14th straight monthly fall. "It's difficult to think that production will decline further," said Koichi Yoshimoto, a ministry official who briefed reporters. "Manufacturers are expecting 1.6 percent growth in January, but this may be over-optimistic."

In the retail report, sales at Japan's major department stores and supermarkets fell 3,2 percent from a year earlier, the sixth consecutive month of year-on-year decline.

Japan's seasonally adjusted un-employment rate rose to 2.3 percent, the highest level since May 1989, as the jobs-to-applicants rano fell to 0.93, meaning there were 93 job offers for each 100 applicants.

The second second second

THE NEW YORK BERALD.

pan Automobile Manufacturers Association said Friday that exports were slow in November because of recessions abroad.

The association said Japan's exports of cars, trucks and buses to-taled 426,585, down 11.6 percent from a year before and down 9.3 percent from October. Exports to Asia rose but were outweighed by drops in sales to Europe and the

In a report published Thursday, the government's Economic Plan-ning Agency said the country's listless economy would not recover which ends March 31, 1993.

The stagnant Japanese economy is expected to recover in the latter half of next year, the planning agency said. Its report, "Japanese Economy in 1992 in Retrospect," corrected the government agency's estimate in July that the Japanese economy would bottom out by the end of March 1993

The government now expects Japan's economy to grow just 1.6 per-cent in fiscal 1992, which ends March 31. But it hopes the 10.7 trillion yen (\$86.43 billion) stimulative package announced in August and the 72.4 trillion yen draft budget for fiscal 1993 will speed up growth to 3.3 percent next year.

Private economists have forecast

2.7 to 2.8 percent growth for the ning fiscal year. Some have urged the central bank to slash interest. rates and the government to draw up another stimulative package to-taling tens of billions of dollars. (Reuters, UPI, AFP, Bloomberg)

■ Foreign Aid Increase The Japanese government is to boost its economic aid to develop-ing countries by 6.5 percent, to 1.01 trillion yen, in fiscal 1993, officials said Friday, news agencies reported. All of the increased aid will be

accounted for by grants. It will be the first time for Japanese development assistance to top one trillion yen, although the 6.5 percent rise from the current fiscal year is smaller than the 7.8 percent. ers for each 100 applicants. expansion in the fiscal 1992 aid budget. (Reuters, AFP)

Crédit Lyonnais to Get ||

LOS ANGELES - Credit Lyonnais, the French state-owned bank that is a reluctant Hollywood studio owner, is expected to take a preferred stake in Carolco Pictures Inc. as part of a capital infusion

Carolco announced an agreement Thursday with Metro-Gold-wyn-Mayer Inc., owned by the French bank, and its three big overseas investors to help it restructure its debts with a \$120 million infusion. MGM will get distribution rights to films by Carolco,

Giancarlo Parretti, who defaulted on loans from Credit Lyonnais

in exchange for \$30 million of new preferred stock and \$30 million of subordinated notes. MGM will gain distribution rights to Carolco's films for five years when a distribution agreement with Tri-Star Pictures expires on Jan. 1, 1994.

Carolco's three strategic investors will supply an additional \$60 caractors three strategic investors will supply an auditional soo million under the agreement in return for new preferred stock in the company. The investors are Le Studio Canal Plus, the French paytelevision company; Pioneer Electronic Corp. of Japan; and RCS Video Services International, an Italian media company.

Carolco Pictures Stake

By Calvin Sims

which has made such popular movies as "Terminator 2: Judgment Day" and "Basic Instinct."

The deal is subject to several conditions, including approval of Crédit Lyonnais, which is owed \$42 million. The bank has invested more than \$2 billion in MGM, which it took over after forcing out

that financed his purchase of the studio.

The agreement calls for MGM to provide Carolco with \$60 million

Eurocurrency Deposits

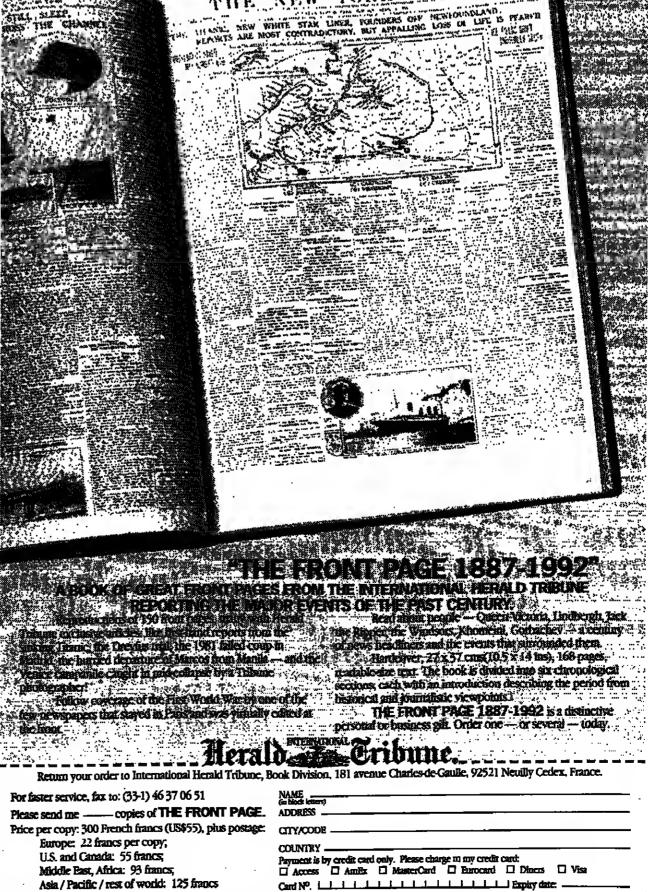
that is meant to allow the company to resume making movies at a rate of up to six films a year.

In recent years, Carolco has run up debts with lavish spending on big-budget action movies intended to have appeal abroad as well as in the United States. The company has been trying to pay down its borrowings, selling receivables and assets to stay alive. In renegotiating loans last month, Carolco said that if it could not raise additional capital, it might have to file for bankruptcy-court protection. Doug Lowell, an entertainment analyst for Rockefeller, Rothshild & Steele, an investment firm based in Beverly Hills, said the restructuring was a smart move on the part of Credit Lyonnais. "Carolco gets to make movies again, and MGM stands to gain from the potentially lucrative distribution agreement," Mr. Lowell said.

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COUNTRY

Mark Moves Lower **As Dollar Gains**

Compiled by Our Staff From Dispetches mut Schlesinger, the Bundesbank TOKYO — The Deutsche mark president. He implied that German lost strength in light trading Friday in Tokyo, the only major foreign-exchange market open on Christ-

The dollar rose to 1.5980 DM from 1.5910 DM at the Thursday

😂 Foreign Exchange

close, although it slipped to 123.65 yen from 123.67 on Thursday.

A currency dealer with Chemical Bank in Tokyo said there was some dollar buying by Japanese banks, but trading remained quiet as many overseas financial markets were closed for the Christmas holiday.

Observers noted the dollar has been making gains against the mark. "The mark is showing a soft-er side, finally succumbing to the last few weeks dollar bullishness." said John Lilley, currency analyst

The mark has been undercut by comments on Tuesday from Hel-

interest-rate cuts might be forthcoming in the near-term, which would be a relaxation of the central bank's monetary policy in its campaign against inflation.

An interest-rate cut by the Bank of Italy on Tuesday also brightened the outlook for the dollar. Italy, which has withdrawn the lira from the European Monetary System's exchange-rate mechanism, is seek-

77.73 on Thursday.

bank rate cut, a similar Japanese move is deemed unlikely.

(Bloomberg, Reuters, UPI, AP)

Traditional Favorites Lead Wall Street Rally

NEW YORK - Bargain-hunting among blue-chip issues led Wall Street stocks higher on Thursday, with the market's sometime bellwether IBM providing a lift. A rise in AT&T also boosted

sentiment, The market was closed Friday for Christmas, and trading ended at 2 P.M. on Thursday in advance of the hobday.

The Dow Jones industrial average climbed 12.70 points, to 3,326.24.

Advancing issues topped decliners

N.Y. Stocks

by a 4-3 ration on the New York Stock Exchange, where volume was just 95.17 million shares, down from 227.98 million on Wednesday.

"Stocks usually rise the day before Christmas, and today was no different," said Daniel Marciano, senior vice president in charge of equity trading at Dillon, Read & Co. The stock market has risen about 70 percent of the time on Dec. 24 since 1945.

International Business Machines Corp. gained 11/2 to 521/4 after the recent sell-off that took the computer maker to a 17-year low, while American Telephone & Telegraph Co., trading ex-dividend, climbed 1½ to 52%. AT&T advanced after the company said it would increase service charges and sell its Unix computer-operating system to Novell Inc. for \$350 million.

"IBM and AT&T are two key narket," Mr. Mar ciano said. "When they go up, the market usually follows."

Investors ignored a report that the oumber of Americans filing first-time unemployment claims in-creased by 12,000, to 360,000, in the week ended Dec. 12. The rise in jobless claims, the second weekly

increase in a row, was unexpected.

The economy is slowly recovering, inflation is under control and interest rates are down," said Barry Berman, head trader at Robert W. Baird & Co. "That's a good combi-

Thursday and Friday.

ing to boost its economy. The mark's weakening was also apparent against the Japanese currency, it fell to 77.38 yen from

While currency traders are pon-dering the likelihood of a Bundes-

"It is difficult to see any reason why the Bank of Japan should cut its discount rate at the end of this year like it did last year," a money trader said.

Issue, easing 1/2 to 221/2 on lingering concerns about the company's earnings outlook. An analyst at Smith

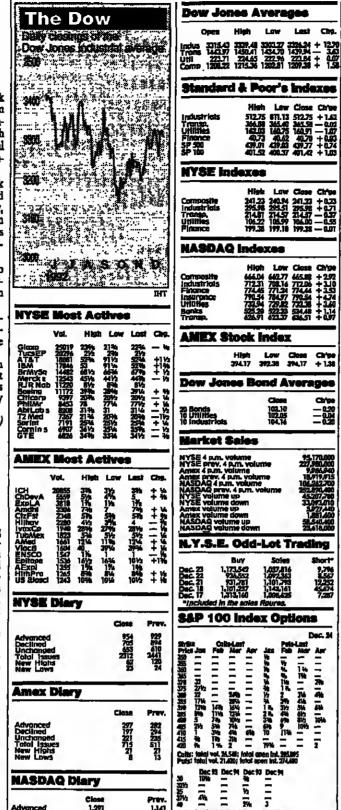
Barney, Harris Upham & Co. issued a critical report on the pharmacentical group. In the report, Christina Hener said worldwide prescription sales are eroding and expansion in profit margins is stalled.

Other drug companies also were lower. Merck & Co. fell 4 to 44%, SmithKline Beecham declined 1 to 37%, Schering-Plough fell 1/2 to 64%, Warner-Lambert declined 1/8 to 68%, and American Home Products Corp. slid ½ to 69½.

Bristol-Myers Squibb Co. rose ¼ to 68½. A jury order Bristol-Myers to pay \$25 million to a woman who

claimed she was left sick and disfigured by ruptured silicone gel breast implants. She had been seeking \$64.3 million in damages. In over-the-counter activity, No-

vell was the most-active issue, rebounding 1% to 271/2 after a three-



Dec. 24

EUROPEAN FUTURES Est, volume: 1,438. Open Interest; 3-MONTH BUROMARKS (LIPPE) DM7 million - pts of 100 pcf

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Source: UPI,

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U.S./AT THE CLOSE First Boston Leads in Merger Advice

NEW YORK (Bloomberg) — First Boston Corp., the U.S. securities unit of Switzerland's third-largest bank, and its affiliates in Europe and Asia were the leading advisers in mergers and acquisitions completed this year, according to a preliminary survey by IDD Information Services,
The data-base company said First Boston was an adviser in 78
completed transactions, valued at \$26.6 billion, Morgan Stanley Group
Inc. came oext, advising on mergers worth \$23.4 billion, Goldman, Sachs
& Co., Merrill Lynch & Co. and S.G. Warburg rounded out the top five.

IDD said Thursday. The total value of mergers in 1992 declined to \$216 billion from \$225 billion in 1991, according to IDD. In 1990, the value of mergers totaled

Lockheed Broaches Russian Venture

SUNNYVALE, California (UPI) - Lockheed Corp., seeking to become a leading player in the satellite business, is preparing to announce a major venture with the Russian Khrunichev weapons factory, a spokes-

The deal, announced Thursday is part of a plan by Lockheed's Space Systems Division to double its revenue, to \$5 billion, over the next eight years. The division has about 8,500 employees and hopes to boost that by 2,500 by the year 2000, moving the employment level back to the 1987

figure.

Details of the Russian pact were not immediately available.

OTC Short Sales Slip but Stay High

NEW YORK (NYT) — The oumber of over-the-counter shares sold short and not yet covered fell slightly between mid-November and mid-December but remained at a relatively high level, the National Association of Securities Dealers said.

Short interest in all Nasdaq securities totaled 455.8 million shares in the period, down less than 1 percent from the previous period's level of 458 million, NASD said Thursday. But the oumber of companies in which shares were sold short in the period grew to 3,728 from 3,650. In spite of the slight decrease, the most recent level reflects the record-

breaking drives upward in sbort-interest levels throughout most of this year. The Nasdaq short-interest level is almost 22 percent higher than in April, when the record-setting trend began. Figures on interest to short-selling are a widely watched gauge of investor sentiment, since they reflect the activities of professional sellers who specialize to identifying companies they consider overvalued.

Time Runs American Express Titles

NEW YORK (NYT) — Time Inc. has agreed to assume management responsibility for American Express Co.'s two main magazines, the companies said.

The agreement, about which the magazine industry has been specular ing for months, involved two American Express magazines, Travel & Leisure, with a circulation of 1.1 million, and Food & Wine, with a circulation of 803,000.

One question raised about the agreement, revealed Wednesday, involved the extent to which Time would have access to American Express data for renewing and selling subscriptions to its own magazines. Neither company would provide details.

Honeywell Chief of Finance Quits

CHICAGO (NYT) - Honeywell Inc. said that Christopher J. Steffen, ts chief financial and administrative officer, had resigned to pursue other

The 50-year-old executive, whose departure on Wednesday was unex-pected, was popular on Wall Street and was credited with playing a major role in restructuring the Minneapolis-based company into a more profit-

News of his resignation sent Honeywell's stock tumbling, closing down \$1.25 a share on Thursday, to \$32.25, with more than 1.3 million shares traded on the New York Stock Exchange.

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Commodity Index

Tokyo Stocks Slip on Index Trading

Compiled by Our Staff From Dispatches TOKYO - Stock prices fell slightly on Friday, with index-linked selling the most notable feature in

light trading on Christmas Day. The Nikkel average of 225 selected issues shed 91.81 points, or 0.52 percent, to 17,557.04 after losing 41.82 points Thursday. The broad-cr-based Tokyo Stock Price Index, which lost 0.30 points Thursday, closed at 1,341.82, down 8.34 points. Volume was estimated at 180 million shares, down from 231.3 million on Thursday, and declines led advances 586 to 337, with 213 issues unchanged.

issues unchanged.

Traders said the low volume left the market vulnerable to basket deals, however small, allowing institutional traders to dictate the discontinuous of the index of the december.

rection of the index at the close.
"Just before the end, we had a
small sell program," said Philippe
Huber, trader at UBS Phillips &

a buy program, we would probably have ended flat."

With most world financial markets closed for the bolidays, participants had little news to trade on, at 872.11 points, news agencies reported from Bangkok to the tune of the professional dealers and arbitragers.

Traders said they expected the market to rise oext week, with some institutions window dressing ahead of book closings at year's end, although volume was likely to remain at low levels.

NTT fell 13,000 yen to 579,000 on profit-taking after surging Thursday as an asset reevaluation issue and top candidate for a new weighted average. Profit-taking hit other asset plays, with Mitusbishi Estate down 17 to 950 and Mitsui Fudosan 20 to 1,020.

(UPI, Reuters)

Drew International, "If we had had | Thai Stocks Advance

The Stock Exchange of Thailand index gained 3.11 points in moder-ate trading Friday to close the week

"Technically, the market starts to show good signs since the index is moving up with increased trading volumes." said a broker at Eka-chart Finance & Securities Co.

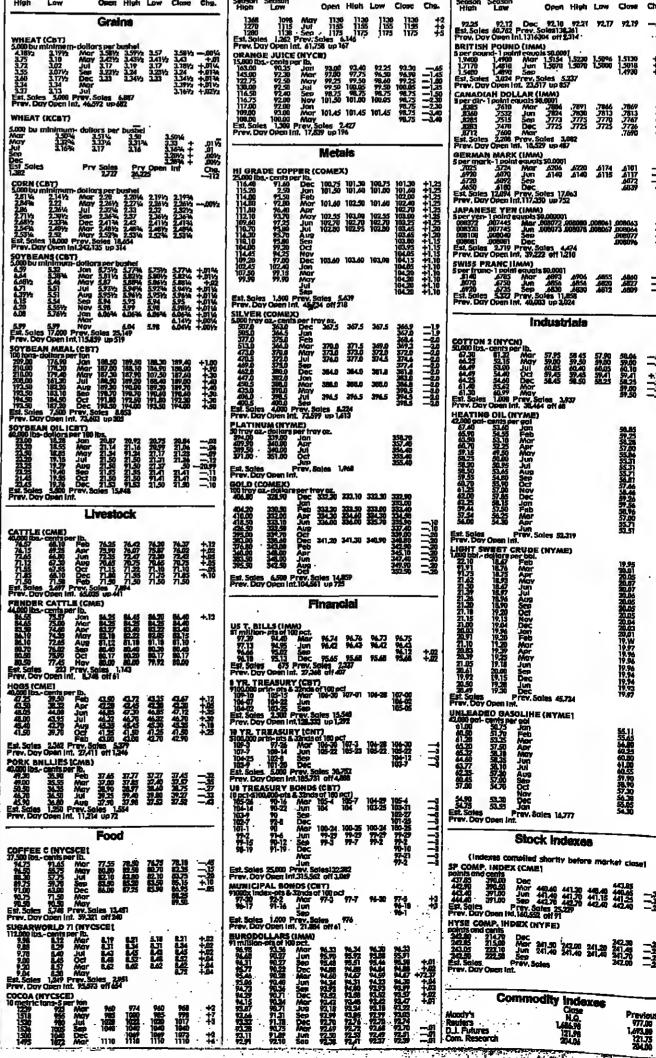
A generally favorable political climate contributed to the rise, a broker said. The main reason for the rise, however, was investors pushing up the index in order to take profits, he said.

"Some investors have been attempting to push prices up as much as possible, in order to cash in and settle bank overdraft accounts before the year's end," be said.

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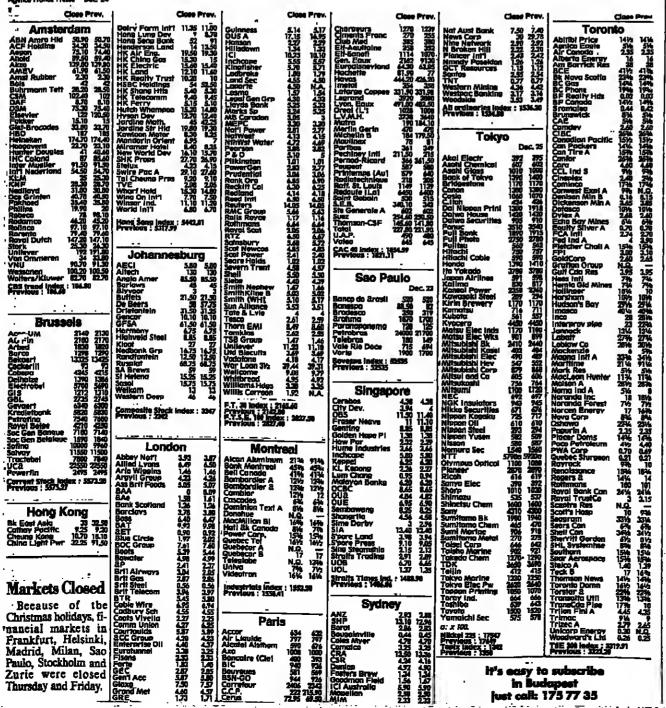
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WORLD STOCK MARKETS



Rate Falls **Expected** In Italy

MILAN - Interest rates are likely to timble in Italy next year as policymakers get to grips with domestic recession, analysts said. Pushing the economy into a higher gear will take precedence over efforts to drag the lira back into the exchange-rate mechanism of the European Monetary System, the analysts said.
"Italy will be making internal

problems its priority," said Roberto Condulmari, an analyst at Gemina-Credit Lyonnai

Tuesday's move by the Bank of Italy to cut its discount rate one point, to 12 percent, is expected to be repeated several times in 1993 as the Bank of Italy makes preventing a deep recession its primary task.

"They are going into a recession in Italy and they need to cut rates. It's as simple as that," said George Pilla, an analyst at IDEA Ltd. in London.

Falling interest rates would de-lay the lira's re-entry to the ERM because it would make the currency difficult to control. But economists think the Italian government no longer wants to get back in quickly. The lira was suspended from the ERM on Sept. 17 when it became impossible to defend its levels.

Italy's economy is expected to

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grow just 0.8 percent next year. Given an expected one-point cut in German rates at some point, the Bank of Italy's discount rate on loans to banks should be at 10 per-

cent by next summer, Mr. Pilla said. Analysts said the rate cut was prompted by several factors, among them estimates the annual inflation rate would fall to 4.7 percent in December, its lowest in four years, while industrial production would slide 6.1 percent in that month from the level a year ago. In addition, Parliament approved

the 1993 budget on Tuesday, which was seen as a prerequisite for lower rates, and the lira has stabilized. There was room for the Bank of Italy to cut," said Oreste Gallo, an economist at San Paolo Bank. Commercial banks next year are

also expected to be more prompt in bringing their lending rates down along with the Bank of Italy's. Throughout the autumn, commercial banks resisted cutting their own lending rates even though the central bank was cutting the rate at which it lends to the banks.

On Tuesday, Italy's major banks responded quickly to the Bank of Italy's move, cutting their prime rates one point, to 13.5 percent.

Investor's Europe 108.60 40.19 -0.04 DAX

Very briefly:

 France will issue about 220 billion francs (\$41 billion) of long-term Treasury bonds, or OATs, in 1993, the Finance Ministry announced, and around 190 billion francs in medium-term bonds, known as BTANs. • Italy had a balance-of-payments surplus of 3.33 trillion lire (\$2.4 billion) in November, against a deficit of 3.76 trillion lire in November 1991, the Central Statistics Institute said. For the first 11 months of 1992, the balance-of-payments deficit stands at 45.52 trillion lire.

 Russia will put three nuclear reactors, with power ratings of 1,000 megawatts each, into service by 1995, the Russian cabinet has decided. . LOT, the Polish airline, said it had taken delivery of four new Boeing 737-500 medium-haul aircraft; the airline now has three Boeing 767s, six 737s, five ATR-72s, six Tupolev-134s and 14 Tupolev-154s.

 The Bank of Ireland cut its call-money rate to 14 percent from 16 percent, a central bank spokesman said. The move follows a reduction in downward pressure on the punt and reduced tensions within the exchange-rate mechanism of the European Monetary System.

Turkey's foreign trade deficit in the first 10 months of 1992 widened by
 4.3 percent, to \$6.22 billion, the State Institute of Statistics said.

Thomson Can Shift SGS Stake

PARIS - Thomson-CSF, the state-controlled electronics company, will have an option to transfer its stake in the SGS-Thomson Microelec tronics BV venture with Italy to two government agencies as part of a recapitalization of the unprofitable computer-chip maker.

France and Italy are to each contribute \$500 million to recapitalize SGS Thomson. The French side of the deal is expected to be finalized

within a few days," Thomson-CSF, which is 60 percent state-owned, said Thursday. Half will be contributed next year, the rest in 1994.

Thomson-CSF said it would have an the option in 1997 of assigning its shares in SGS-Thomson to a holding company called FT2CL FT2CI will be owned by another holding company, FTICI, which is to be 51 percent-owned by the government's CEA Industrie, with the rest held by France

Telecom, the state telecommunications concern. . .

Mazda, Isuzu Plan Engine Tie

TOKYO - Reaching outside their corporate fam-

ilies to weather a recession, Isuzu Motors Ltd. and Mazda Motor Corp. said Friday they were discussing a diesel-engine supply link. Under the agreement, Isuzu will supply diesel engines to Mazda's new small-sized passenger car scheduled for 1993 production, spokesmen said. "We have

just begun negotiations," an Isuzu spokesman said.
"We have to examine technological matching and financial matters now."

Isuzu said last week it would suspend production of passenger cars, reflecting the weak domestic auto market. It subsequently reported that it had its second consecutive unprofitable financial year in the 12 months through October.

Now that Isuzu is suspending passenger-car production, the company will try to focus on commercial and recreational-vehicle production and auto-component sales, including engines, its spokesman said.

that the companies were planning a wider affiliation that would include a merger of their keireusu, the Japanese corporate groupings linked through inter-locking shareholders. Isuzu, which is 37 percentowned by General Motors Corp., is associated with the keiretsu headed by Dai-Ichi Kangyo Bank Mazda, which is 25 percent-owned by Ford Motor Co., is linked with the Sumitomo Bank keiretsu.

Industry analysts said the diesel alliance would help Mazda, Japan's No.4 automaker, trim development costs. Isuzu, the No. 9 automaker, will be able to strengthen its financial position through sales of its diesel engines, they added.

Currently, Mazda uses its own diesel engines in its passenger and commercial vehicles. But faced with the twin pressures of sluggish auto sales and a tight linan-cial market, Mazda decided to join with Isuzu in an effort to cut engine development costs, analysis said.

ent sales, including engines, its spokesman said.

A Mazda spokesman said the company chose Isuzu

A Mazda spokesman denied Japanese press reports for its well-reputed diesel engines. (UPI, AP)

A Humbled Hyundai Hopes Kim Will Let It Get Back to Business

By Paul Blustein

Washington Past Service
SEOUL — The Hyundai group is through with
politics. From now on, Hyundai's 120,000 employees will concentrate solely on doing the things that they normally do, making products such as cars,

computers and ships.

That was the message from Hyundai's high command this past week, after the defeat of the group's founder, Chung Jn Yung, in South Korea's presidential election on Dec. 18. It seemed like a

wise thing to say under the circumstances. Twenty-seven Hyundai executives are hiding from the police because they fear being charged with illegally funneling corporate cash to Mr. Chung's campaign. On Wednesday, the head of Hyundai Petrochemical Co. was arrested at Scoul's airport and the police reportedly were close to arresting other top executives for allegedly im-

proper activities on Mr. Chung's behalf.

The developments are the latest in a bizarre battle between the government's ruling clique and the nation's largest chaebol, or conglomerate. Its reverberations are likely to be felt for years because the scandal has exposed some of the most troubling features of the South Korean economic miracle, particularly the pervasive power of the government to bully companies and individuals and the pervasive power of the chaebol to influence the nation's politics.

The initial source of the conflict - a financial dispute between Mr. Chung and the government -has faded into insignificance. What matters now is the fierce power struggle that ensued as Mr. Chung, 77, backed by legions of loyal Hyundai employees, sought the presidency as a third-party candidate on a platform of reducing the govern-

He concentrated most of his fire on the ruling party candidate, Kim Young Sam, whom he called a "thick-headed idiot," and he told aides that even if he lost, he hoped to garner enough conservative votes to deny Mr. Kim the presidency. But authorities alleged massive improprieties by Mr. Chung and Hyundai, and Mr. Kim won handily.

The episode's ultimate impact may be signifi-

cant, perhaps for both Hyundai and the government, because it showed the chaebol and the authorities at their power-wielding worst. In thet respect the scandal could speed reforms that many neutral analysts consider to be desirable.

South Korean authorities are well-known for exercising bureaucratic clout in ways most cultures exercising bureaucratic cloud in ways most cultures would find intrusive. For example, Seoul periodically conducts "austerity" drives in which people who engage in conspicuous consumption — buying a Mercedes-Benz car, taking an overseas vacation — are targeted for tax audits.

In Mr. Chung's case, the government seemed to be using its bureanceratic powers against Hyundai when he was enjoying a suree of political support

when he was enjoying a surge of political support. Last spring, when Mr. Chung's new United People's Party was threatening to win a large number of seats in the legislature, Hyundai found itself in a sudden cash squeeze because its credit lines had been suspended by Korean banks whose presidents just happen to be appointed by

the government. In late autumn, when Mr. Chung was rising fast in the presidential polls, Hyundai executives were put under police surveillance. Government agents arrested more than a dozen Hyundai employees on suspicion of illegally funneling contributions to Mr. Chung's party.

The anthorities did not aggressively investigate other chaebol for evidence of donations to the ruling party, however, even though such practices are believed to be widespread.

But Hyundai's protestations of innocence did not convince many Koreans, Government investigators gathered documents purporting to show that mil-lions of dollars belonging to Hyundai stockholders was siphoned off to help Mr. Chung's campaign.

The upshot was a voter backlash that contributed to Mr. Chung's disappointing 16 percent finish in the election. The voters gave an emphatic answer to Hyundai and Mr. Chung: they don't want to put so much political power in the hands of the chaebol," said Yun Yuo Jin, senior economist and editorial writer at the Macil Kyungje, a South Korean busi-



Very briefly:

 Nissan Motor Co.'s senior debt rating has been lowered to A from Aplus by Standard & Poor's Asia, which cited lower operating efficiency of the automaker resulting from reduced sales and increased competition. Japan's semiconductor industry is expected to recover in the first half of 1993, the Ministry of International Trade and Industry said, forecasting strong demand for chips in the United States and Southeast Asia.

• The Bank of Tokyo plans to open a branch in Ho Chi Minh City, according to press reports from the southern Vietnamese city. Japanese crude-oil imports totaled 21.32 million kiloliters in November,

up 9.5 percent from November 1991.

• Taiwan's M-2 money supply rose by 17.9 percent in November from November 1991, the central bank said, slower than an 18.2 percent rise in October and 18.5 percent in September.

Hyogo Bank Ltd. President Minoru Yamada said in Kobe that 60 percent to 70 percent of the bank's 88 creditors had agreed to extend support to its 10 troubled nonbank affiliates.

 Woo Hing Brothers Blid., a Malaysian watch retailer, said it would offer for sale 2.34 million shares at 2.34 ringgit (90 U.S. cents) in an initial public offering.

Beijing Lofts Recriminations

Compiled by Our Staff From Dispatches

BEIJING — China blamed Hughes Aircraft Co. on Friday for the apparent loss of an Australian communications satellite, after the General Motors Corp. subsidiary indicated the Beijing rocket that was to place it in orbit exploded.

it in orbit exploded.

Criticizing "some foreign reports that are not true to facts," the vice president of China Great Wall Industrial Corp., Chen Shouchun, said China had played its part perfectly in putting the \$138 million Optus B2 satellite, built by a Hughes subsidiary, into space on Monday.

Hughes Space & Communications Co. of Los Angeles has said its engineers spotted a fireball 48 seconds after launch that appearently blew up the satellite or rocket. They have located debris that appears to be from the satellite and the Long March 2E launch vehicle, but still do not know what caused the satellite's failure.

(AP, Reuters)

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Clinton Looks to Venture Capitalists to Help Revive Growth

By Steve Lohr

New York Times Service NEW YORK - Richard Kramlich invests in fledgling companies that be says typically start out as "three guys and a dream." He is one of America's leading venture capitalists, and while the entreprenential dreams he backs are risky, the successful ones can be incubators of new

technology and new jobs.

When Mr. Kramlich and his coileagues at New Enterprise Associates, a San Francisco-based partnership, put money in a company, it stays there for five years or more. They sit on the boards of the companies they invest in. They help with marketing plans and product designs — they even interview job applicants.

"Our fate is totally tied up with these companies." Mr. Kramlich said. "We are partners with them."

To Bill Clinton, this is capitalism working the way it is supposed to, aided by a very different breed of American financier than the Wall Street dealmaker of the 1980s.

The president-elect is betting on people like Mr. Kramlich to help build what he calls a "21st-century economy" filled with high-sech industries and high-wage jobs, and he is planning tax breaks to ease

their way.

Mr. Clinton's proposed new enterprise tax cut would exclude from taxes half the

capital gains on investments in new busi-nesses held for more than five years. The idea is to stimulate the entrepre-

ocurial side of the U.S. economy by in-creasing the rewards for venture capitalists and individual investors in start-up companies, the "angels" Mr. Clinton has praised as "those with the patience, the courage and the determination to invest in new businesses that create new jobs."

"It could open up enormous amounts to seed capital for new businesses," said William Wetzel, director of the Center for Venture Research at the University of New Hampshire.

Skeptics question whether the new in-centives alone will have the desired ef-fect. The general health of the economy, industry trends, other taxes and regula-tory costs are all considerations for prospective entrepreneurs, and could discourage them from starting up despite the tax cut, warned William Sahiman of the Harvard Business School.

Yet the new enterprise tax cut seems likely to face little opposition. Senator Dale L. Bumpers, Democrat of Arkansas and a friend of Mr. Clinton, has spon-sored similar legislation and it has wide support in Congress. It will no longer face s presidential veto; President George Bush favored tax breaks on all

vestment profits.

Mr. Clinton's tax cut, by contrast, is

aimed at long-term investment in small business, which creates two-thirds of the new jobs in the American economy. And the government revenue lost would be slight in the near term because the tax break would only apply to capital gains on investments held for five years or

Many economists question the wisdom of this fine-tuning of tax incentives, as

A proposed tax cut is aimed at investment in small business, which creates two-thirds of new jobs.

did the Reagan administration, which strove to simplify the system in the Tax

Reform Act of 1986. But it has certainly won Mr. Clinton support among venture capitalists and high-tech entrepreneurs, the groups that would most benefit. About 130 of them, including Mr. Kramlich, gathered at a fund-raising dinner in San Francisco in September that brought in \$300,000 for

Other tax proposals from Mr. Clinton,

viduals and a surtax on millionaires, comes from so-called angels, an estimat-would hart many of the entrepreneurs and ed 250,000 individual investors who put investors. But the overall impact of Mr. their personal savings into compar Clinton's policies would be to take money out of their pockets and put it into their have offices across the country, angel businesses, a trade-off they welcome.

The venture-capital firms are the aris- affair, a successful entrepreneur taking a tocrats of start-up financing, and big gamble on a neighbor's new business or a names in the field include Mr. Kramlich's friend's recommendation. New Enterprise Associates, Venrock Associates in New York, Kleiner Perkins Caufield & Byers in Palo Alto, Califorstakes are far smaller, from a few thounia, Institutional Venture Partners in sand dollars to half a million. Yet the Menlo Park, California, and Sevin Rosen Bayless in Dallas.

Half of all new companies go under within two years. But the venture funds can improve the odds by being very picky. They are searching for the oext crop of rising stars of corporate America, and they have backed success stories like Intel, Apple Computer, Microsoft, Genentech and Federal Express.

Once pools of funds from wealthy individuals -- Venrock, for example, is the venture arm of the Rockefeller family the venture-capital industry has grown sharply over the last two decades, thanks to the arrival of institutional money like

Today, there are more than 600 venture-capital firms with \$32 billion invest-ed in thousands of companies.

AIRLINES: Hope for Assistance

more normal traffic demand." Industry specialists cited overexpansion as a major cause of the airlines' woes. Last month, only 58.4 percent of airline seats on domestic routes were filled, compared with 62 percent of the seats on international routes

"I don't know if there's anything to be done until that overexpansion has ended and the economy has recovered," said Alfred E. Kahn, who championed deregulation as chairman of the Civil Aeronautics Board under President Jimmy Car-

Mr. Kahn said he believed international alliances could be the savior of America's airlines. "I'm terribly disappointed by the failure of the British Airways-USAir deal," Mr. Kahn said. "We don't see anything wrong with the British owning banks, insurance companies and hotels. It's good for American consumers to get that capital."

But Mr. Mineta was leery of the 44 percent stake in USAir's equity and 21 percent of the voting stock that British Airways had sought in exchange for the \$750 million it had offered the ailing airline.

Many industry observers urged tougher bankruptcy laws. At pre-sent, Trans World Airlines, Conti-

(Continued from first finance page) nental Airlines and America West are operating uoder court protec-tion from their creditors. Before they failed, Pan American World Ways, Eastern Airlines and Braniff Airlines were under similar protection using Chapter 11 of the Bank-

ruptcy Code.
John V. Pincavage, a partner at the Transportation Group Ltd., a New York company that specializes in financing airlines and airplanes, said:

"We should not allow airlines to go into Chapter 11 and dissipate creditor assets while they continue to operate and not have to pay their bills. That's what has led to continued overcapacity in the industry. The day a company declares bankruptcy we should padlock the donrs and put it out of business. This would help reduce excess capacity and help the remaining airlines, which would get the traffic from the bankrupt airlines."

Mr. Mineta said that under the bankruptcy law, an airline that does not have to pay its creditors sometimes becomes "the tail that wags the dog." He ooted that several weeks ago, when one airline (American) amounced a fare increase, another airline (Continental), in bankruptey, decided to cut fares. "They didn't have to pay their creditors," Mr. Mineta said.

SMOKE: A Hefty Tax on Cigarettes Would Lighten the Deficit Burden

(Continued from first finance page)

bill. But smokers also die younger, and thus effectively subsidize the pensions of nonsmokers. Willard Manning an economist at the University of Minnesota's School of Public Health, calculated that smoking cost nonsmokers about 15 cents a pack -less than the current

Mr. Warner said Mr. Manning's figure greatly underestimated this external cost because it used too low a figure for death and illness caused by secondary inhalation. In any event, many economists California at Berkeley, estimated

think the externalities question is a crease would ultimately reduce rettes. Dr. Harris said he did not, diversion from the more fundamental moral issue of deterring ad-

dictive, self-destructive behavior. Cigarette taxes are apparently an effective way to induce people to quit smoking, or never to become addicted in the first place. In Canada, the near-tripling of prices over the last decade, to \$5.75 a pack, helped reduce cigarettes smoked by about 40 percent. The recent experience in California, which raised the tax by 25 cents in 1989, has also had an impact. Theodore Keeler, an economist at the University of

consumption about 11 percent.

Not surprisingly, poor individ-uals in general and teen-agers in particular are most easily deterred by high prices. A variety of studies suggest that a 10 percent increase in price reduces teen-age smoking by about 10 percent.

That is good news if the objective is to prevent children from getting booked. But the tobacco industry has made much of the inequity of taxing poor adult smokers.

The poor and near-poor do indeed spend a disproportionate who follow the smoking debate the resulting 23 percent price in- share of their incomes on ciga-

however, think it followed that lowincome Americans would be hart by higher taxes. If the smoking tax is regressive, he points out, the fi-nancial benefits of inducing people to quit must be progressive. And the fate spared those induced to

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quit is especially dire. "Being sick is bad," said Dr. Harris; "being sick and poor is much worse."

WEAPONS: Overhauling Old Systems Is Big Business for Arms Makers (Continued from first finance page)

Div Yid PE 100s High LowLotest Cir'ge

D. Dodge, director of Boeing's tandem rotor helicopter programs.

Anticipating that foreign sales

will oot be enough to keep the fac-tory open. Boeing is now arguing that the Gulf War demonstrated the need for another upgrade: Model D's should be rebuilt into the more powerful Model F, still in the design stage.

In a carpeted conference room at the headquarters building, Mr. Dodge offered the Model F sales pitch that he gives regularly now to people at the Pentagoo and mem-bers of Congress.

plained, was everywhere in Sandi Arabia and Iraq during the Gulf crisis, carrying troops, drums of fuel, artillery and the injured. But fully loaded, the Model D's two engines by invoked to justify the expense of and fuel capacity could travel only 100 miles (160 kilometers) without refueling, half the range of the pro-

posed Model F. "On the first day of the ground

High Low Stock

Where the big venture-capital funds

investing tends to be a local or regional

total volume of angel investment is esti-

ture-capital funds.

worth \$5 million.

mated at five times the amount of ven-

Many investors have a foot in both

camps. In 1978, when the start-up hat

was being passed among a half-dozen individual investors for a new computer

company in Silicon Valley, Mr. Kramlich

dipped into his own pocket and put in \$22,500. The company was Apple Com-

puter, and six years later his stake was

The pace of both venture-capital and

angel investment fell after the 1986 tax

reform took effect, eliminating the lower tax rate on capital gains compared with ordinary income. Venture-capital invest-

ment fell from roughly \$4 billion in 1987

to under \$1.4 billion last year, according

to Venture Economics, a research group.

can troops to Baghdad quickly enough to surprise Saddam Hus-

upgrading old weaponry in the post-Cold War period. The deployment of American troops in Soma-

lia is the latest such experience. But rebuilding older weapons fighting, that 100 miles took troops rather than buying new ones raises and supplies only halfway to Baghdad on the Euphrates from the Saudi border," Mr. Dodge said. "The public, according to Representative Andy Ireland of Florida, the Could have gone all the tree Andy Ireland of Florida, the Could have gone all the tree Andy Ireland of Florida, the Could have gone all the tree Andy Ireland of Florida, the Could have gone all the tree Andy Ireland of Florida, the Could have gone all the tree Andy Ireland of Florida, the Could have gone all the tree Andy Ireland of Florida, the Could have gone all the tree Andy Ireland of Florida. way to the Euphrates nonstop." ranking Republican on the House And Mr. Dodge suggested that the subcommittees for military pro-

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The Model D. Mr. Dodge ex- Model F might have gotten Ameri- curement and for investigations of weapons contracts.

> "If the threat is no worse than Saddam Husseio's Republican Guard, do you really need to spend so much on upgrading weaponry? Mr. Ireland asked.

"I know in my gut that upgrading weapons is a growing trend, although still oot fully measured," he said. "Accountability is oecessary to head off overcharging, which is just as likely with an upgrade as with a oew B-l bomber. Most important, is this an overlooked area for cutbacks in defense nittees for military pro- spending?

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Thursday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Pre-

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FIRST COLUMN

If Oil Falls, The Bravest **Will Profit**

O you've digested your Christmas dinner. Now there are other, more dangerous appetites to satisfy -notably, the hunger for pure, speculative profit.

You've already shorted the French franc, you've gone long on Hong Kong, and you've hedged your German mark investments into dollars. What do you dn with that last five

percent or so of your portfolio, the bit ear-marked for speculative plays?

Brave investors will put it into oil. Or more precisely, they will make an oil play that will be lucrative if the price of nil falls. And they are strong arguments in favor of the price of oil falling through the floor, to half its pre-sent level of around \$18 per barrel of Brent

The control which OPEC, the Organization of Petroleum Exporting Countries, was able to exert over production levels was, at best, tenuous. Now it looks to be almost

The demand side of the equation is even more depressing. Stocks of oil held by indus-trial concerns have increased. And the weather has generally been milder than expected this winter, further depressing de-

The biggest brake on demand has, of course, been the recession. Japan is struggling, Germany has already gone into de-cline, and the American recovery is a lot weaker and has been slower in coming than many had predicted. The result is a lot of oil

with almost no one wanting to buy it. Individual investors who want to put some financial weight behind this pessimistic sconario for oil have a variety of ways of doing so. They can purchase an option contract on. say, the Chicago exchange. Or they can find an investment house, like Goldman Sachs, which makes a market in oil warrants. Or they can make a put option play on one of the big oil exploration companies, which are hit the hardest when the price of the raw

Or, again, you can do nothing and just wait for the price of gas to fall. Happy motoring in 1993.

'Bottom-Up' Optimism on Stocks

Company Analysts See Good Growth in 4 Major Markets

By Philip Crawford

ESPITE economists gloomy pre-dictions for global markets in 1993, a recent survey shows that financial analysts are forecasting healthy earnings growth for four of the world's top five stock markets.

Companies listed on stock exchanges in the United States, Japan, Britain and France should show average earnings growth of 19.75 percent over the next 12 months, says the survey, while earnings of listed companies in Germany are predicted to grow by just 3 percent.

The study was conducted by Institutional Brokers Estimate System of New York, a global data base, and involved information on roughly 12,000 companies in 34 countries collected from over 5,400 financial analysts,

according to IBES.

The U.S. market, perceived by many financial pundits to bave turned the corner away from recession, received the most bullish reviews, with 1993 earnings growth estimated at a befty 26 percent. Analysts mean-while tabbed the British, French and Japanese markets to weigh in with earnings growth of 25 percent, 17 percent and 11

The estimates are widely perceived as too optimistic by market strategists who, like economists, base their calculations on "topdown" macroeconomic models rather than on "bottom-up" evaluations of individual companies, which are the stock-in-trade of the financial analyst. The IBES study was

based solely on such analyst-provided data.

"If past patterns hold true this year, the reality in the U.S. will be earnings growth of about 12 percent lower than the analysts predict," said Riek Pucci, a vice president at IBES. "And in the other markets, it's reasonable to think in the same terms. Analysts tend to err on the positive side because companies are always rolling out new statistics and there's always a lot of enthusiasm

for new products,
"But development costs are always more than expected, things go wrong, and earnings don't turn out to be quite as rosy as people hope. Strategists tend to be too optimistic as well, but not as much as analysis."

The 26 percent earnings growth estimate for U.S. stocks was seen as a substantial overshot by many experts, some of whom

felt that about half that figure was more realistic.
"Twenty-six percent is undoable," said

Prudential Securities Research in New York. "Inflation is low and volume growth is up, but not up dramatically. You need big growth in revenues if you're going to get that kind of growth in earnings. I think 10 to 15 percent is more like it, and that's still pretty

David Shulman, U.S. strategist for Salo-mon Bruthers in New York, concurred: "You're not going to see numbers like that [26 percent]. I say 11 to 12 percent, with U.S. gross national product growing at just under

Ms. Brown added that the largest blights on the earnings horizons of U.S. companies may be the flagging economies of major trade partners such as Germany and Japan.
That sentiment is shared by economists, who fear that a burgeoning U.S. recovery will he reigned in by increasingly sluggish export

Indeed, a report released this past week by the International Monetary Fund in Wash-ington predicted 1993 economic growth of about 1 percent in Germany and 2.5 percent in Japan, down from the forecasts of 2.6 percent in Germany and 3.8 percent in Japan made by the IMF in September.

Thomas Neisse, bead of equity research at Deutsche Bank Research in Frankfurt, said the IBES survey's 3 percent earnings growth prediction far Germany was "generous."

"Minus 3 or 4 percent would make more sense," he said. "We're forecasting the DAX

industrials at minus 10 percent in earnings for '93. If you include the financials, that brings it up to minus 6 percent. But the whole DAX could be minus 10 depending on how far down the economy actually falls. We're predicting GDP of 0.7 percent now, but that could be minus I percent by January 1."

Mr. Neisse said the first two quarters of 1993 are expected to be especially tough in Germany, as prices are under extreme pressure. Industrial volume is not expected to drop substantially, he added, but easily could, worsening the situation. "Our only hope is that the dollar will rise to 1.8 against the Deutsche provide the provide supports."

the Deutsche mark, which would support present price levels," he said.

This week the dollar was valued at between 1.5 and 1.6 Deutsche marks.

The analysts' forecast of 11 percent earn-

ings growth for Japanese stocks is also being perceived as overly sanguine by some experts on that market. Soft spots in the ooccoimpregnable Japanese auto industry, as well as troubles in the building sector are being cited

as likely to drag the country's earnings

"We think overall earnings will be down between 1 and 2 percent," said Shozo Ishibashi, associate managing director of Tokyo-based Nomura Research Institute. "Manofacturing should be up 2 to 3 percent, but cars should be down 13 percent and construction companies down about 20 percent. Orders may pick up for builders, but those earnings won't show up until 1994."

Mr. Ishibashi said the car industry was

hurting for two main reasons: declining exhurting for two main reasons: declining exports to the United States and Western Europe, and a slide in domestic sales of highly profitable luxury automobiles, as conspicuous consumption has become less socially acceptable amid the Japanese recession.

Mr. Isbibashi added, however, that the IBES survey seemed more on target in estimating the average share price-to-earnings ratio (P/E) of listed Japanese companies for 1993; a somewhat astronomical multiple of

1993: a somewhat astronomical multiple of

"A P/E of 35 to 40 is very high, but a reasonable guess in today's climate," he said. "Interest rates are low and investors are hoping for future earnings growth in equi-ties, so they'll tolerate higher multiples. And decent economic growth will return to Japan within the next five years, but not much in

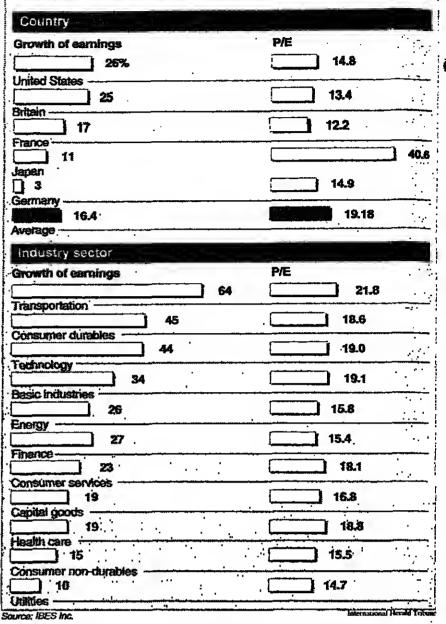
The P/E ratin is derived by dividing a company's share price by its earnings per share. A high P/E, usually over 20, indicates that investors are expecting substantial growth from a stock, but can also signal increased risk, as shares are trading at a price that is many times that of earnings-per-

The IBES survey's forecast of 17 percent earnings growth in France has received somewhat favorable reviews for accuracy. "That's at least a relatively good indication of the consensus," said Philippe Lubineau, a French market specialist at Barclays de Zoete Wedd in Paris. "We're estimating 11 percent ourselves and we're a little conserva-

Mr. Lubineau said that the French economy, which he predicted would grow by about 1 percent overall in 1993, contained a mixture of positive and negative elements. On the plus side, he said, the benefits of massive cost-cutting programs undertaken by many French companies in 1991 and 1992 should start showing up in 1993 earnings. On the other hand, prices are under as much pres-sure in France as in the rest of Europe. The outlook appears better in Britain,

Seeking the Big Earners for the New Year

Estimates for earnings per share growth and average price-earnings ratio for companies listed on stock exchanges, by country and worldwide by industry sector,



although the survey's prediction of 25 percent earnings growth is, again, seen by many as too high. Some view Britain as having at last named the corner toward recovery.

"Earnings growth of 15 to 16 percent based on overall economic growth of about 2

percent is fully reasonable," said Jerry Evans, U.K. strategist for County NatWest Securities in London. "And that would be a significant change for the better. We're certainly not into a big recovery, but fortunately, things aren't getting any worse."

Latin American Emerging Markets Data through August 1992 U.S. \$ billions 80 40

Latin America After the 'Lost Decade'

By Karina Robinson

HIS new year, like many before it, promises profit and pitfalls for Latin American investors. Those who have committed to markets such as Mexico and Chile in recent years will have been well rewarded, but the old maxim that there is nn profit without risk is well illustrated by the delicate business of investing in the region.

"There are potential problems in Latin America, certainly," said one investment expert. "What are they? First, politics. Second, politics. And third, politics. After a glance at recent headlines it isn't difficult to see what he means: The Uruguayan government's privatization plans have foundered on the nega-

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economy minister has tendered his resignation, and the Chilean privatization of copper production is facing strong domestic opposition.

While investing conditions can still be difficult, nowadays Latin America presents a vastly different — and better — picture than that existing in 1982, when Mexico's suspensinn of debt repayments triggered the debt crisis. The following 10 years, the so-called "lost decade," were marked by capital leaving the region in annual sums equal to more than \$20 billion in some years, while international capital markets were closed to bor-

As a result, investment needs are immense. Now that most of the region can point to democratically elected leaders, a general liberaliza-tinn of economic regimes and strong economic growth, their for capital has been estimated by Salomon Brothers at \$20 bilhon in bonds alone over the next

"The infrastructure needs housing, roads, telecommunications — are an area of growth for a minimum of 10 years," said James Remington-Hobbs, a director at Baring Securities in London, "They are the backbone of any economy. In Mexico, they need to build next 10 years to catch up with de-

mand. Mexico is, in fact, an anomaly compared with the rest of Latin America. The North American Free Trade Agreement means its economic ties to the United States are even stronger than before. Political upheavals have in any case Chile, a subsidiary of the U.S. steel been limited by its strategic location in the backyard of the United

States. Tom Priday, bead of the Emerging Markets Group at Paribas Capital Markets in London, said: "Now that Mexico has its currency under control, reasonable inflation made them look farther afield for risk is difficult to sell." higher yields. Far example, in broad terms, Mexican government

tive result of a referendum, Brazil's rate risk is 400-500 basis points ltamar Franco's more dirigiste poli-

Europeans are being tempted as well by high yields and the general

Other than straightfnrward bonds, another way of investing in Latin America is through Brady Bonds. Named after the former U.S. Treasury secretary, Nicholas F. Brady, these result from debtreduction agreements with foreign bank creditors. Mexican Brady bonds, along with Venezuelan ones, bave registered a 75 percent cumulative return in the last twn years, according to the Salomon Brothers index of Brady bonds.

The launch of the \$50 million Morgan Grenfell Latin American Brady Fund in October represents an attempt to capture similar funds by investing in Brazilian and Argentine debt before the signing of

Brady agreements. "Loans, when converted to bonds, increase in value due to the liquidity factor," said Ric Haller, managing director of Morgan Grenfell's Deht Arbitrage and Trading division. "There are capital gains possibilities, instead of income, so the fund is really equity 500,000 houses each year for the although it would be classified as debt. For example, Peruvian debt was at 4.5 cents to the dollar at the beginning of 1991 and it is now at

18 cents, a 350 percent increase." Most issuers try to minimize the perceived risk so as to attract investors — any tie to a more developed econnmy is beneficial. Armoo group, is to float 60 percent of its in early 1993.

Other multinationals may well be fullowing suit. One of the latest Brazilian bond issues was for Banco Sudameris, which is a subsidiary of a European bank. "At and the perspective of NAFTA. 575 basis points over Treasuries, it U.S. bond investors have been was an implicit European risk with was an implicit European risk with international capital markets at Latin American rates," said Mr. cheaper rates. "The last governstudying it more carefully. Low Latin American rates," said Mr. yields in the United States have Priday of Paribas. "Pure Brazilian

The impeachment process of sus-

over Treasuries."

It is not only U.S. investors who are interested in Latin America.

cies are making investors even more wary of an already unstable situation. "Other markets have reached valuations that are broadly okay," said Richard Watkins, chief emerging-markets vogue, while executive of Latinvest Securities in flight capital is working its way London. "Brazil still has a heavily London. "Brazil still has a heavily discounted market. The country could slip into byperinflation, people are looking at the possibility of economic chaos. So, if we started seeing clear evidence of economic and political stability, we could see a major turnsround in investor sen-

> Mr. Remington-Hobbs of Baring Securities agrees with this, suggesting that any serious investor should have 5 to 10 percent of a Latin American portfulio invested in Brazil There are 11 listed regional funds with Brazilian exposure. For those willing to gamble, there are four Brazilian country funds listed nn either the New York Stock Exchange or the London Stock Ex-change.

> Chile is a very different case. Even before the democratically elected government of Patricio Aylwin came to power three years ago, its macroeconomic policies, under the influence of the Chicago School, were unusual in Latin America.

ft is also far advanced in stock market development, with a strong institutional base in the form of private pensions. According to Baring Securities, around \$5 billion of these funds, representing nearly 14 percent of market capitalization, is invested in the equity market. This aided by investment restrictions on the repatriation of foreign capital. At the moment, foreign funds must equity on the Chilean stock market remain in Chile for a minimum of a

Meanwhile, the fourth of the larger Latin American countries. Argentina, is forging ahead with privatization. Having signed its Brady debt reduction agreement in December, it can now access the ment issue out of Argentina was in September," said Mr. Priday. "It The impeachment process of suspended President Fernando Collor points over U.S. Treasuries and is was up by 8.3 percent. risk is 250-300 basis points over de Mello has put Brazilian issues now trading around 375 over." The U.S. Treasuries, while top cospo- on bold, while Acting President next issue should see a lower yield.

By Rupert Brace

UST seven months after opening the doors of his worn two-room office in London's West End for business, Crispin Odey, managing director of Odey Asset Management, is looking after \$150 million - more than some investment man-

agers would dream of attracting in a lifetime. He is the latest addition to a small but growing band of European hedge fund managers. Others that use this method include Arral Associates, Buchanan Partners and IFM Asset Management.

They have all been successful in attracting money, mainly from wealthy individuals and multi-manager mutual funds, but also from institutional investors. The secret of their growing success is what they would call "absolutism'

"The whole idea of a hedge fund, when they were first set up in the United States for rich individuals in the late 1960s, was to reduce volatility and to produce absolute performance rather than relative performance," said Mr. Odey.

Traditional equity funds tend to measure

their performance against that of a benchmark stock market index, and if that goes down, so do they. But hedge funds disregard the index and can produce positive returns from investing in a stock market even when it is falling sharply. A pure hedge fund will also be less volatile.

This is because bedge funds do not just buy shares and hold them, they also effectively sell shares they do not own. These are known respectively as long and short posi-tions. So, if a hedge fund manager thinks a share price is about to rise, he can profit by taking a long position in it — like any conventional fund manager. But if he thinks

the price is about to fall, be can also profit by agement is the largest hedge fund m taking a short position.

When a hedge fund manager chooses to manage a fund by taking both long and short positions, as most do, it tends to be less volatile than a traditional long fund. If a stock market index falls by 20 percent, say, a traditional investor with long positions would do well to limit the corresponding fall in his fund to 10 percent. The hedge fund manager, on the other hand, would see his long positions fall in value, but the short positions would rise.

There is a further aid to hedge fund performance in the very act of short-selling. This is done by borrowing shares from a bank and selling them on. There is a charge of about 1.5 percent for this, and the hedge fund manager will also have to pay the shares' dividends, of about 4 percent, to whoever bought the shares. The money from the sale can then be deposited at money market rates of as much as 9 percent.

The results of skillfully executed hedge fund management speak for themselves. In German mark terms, the Odey European Inc. fund rose by 11.5 percent, between June l and November 30, while the FTA Europe index fell 15.1 percent.

Likewise, in local currency terms, Buchanan Partners' The Buchanan-Alpha European Hedge Fund has risen by 13.5 percent since the beginning of the year, easily outstripping the FTA Europe index, which added 2.9

In the United States, where a large number of hedge funds sprung up during the 1980s, the performance of the best hedge fund managers is such that some are refusing to take any more money. A good example is George Soros's Soros Fund Management, which with more than \$6 billion under man-

The Long and the Short of Hedge Funds

the United States. But, while U.S. bedge funds are prospering right now, they suffered some catastrophic losses in the bear market of the early 1970s. At that time, many hedge funds were

used to leverage long exposure to the equity markets, rather than reducing valatility. This illustrates that hedge funds really just allow fund managers more freedom of maneuver than traditional long funds. They can be used to reduce volatility or increase it. Although most choose the former, some do

In a strong buil market, however, classic bedge funds that take long and short posi-tions will tend to underperform.

Another common complaint is that hedge funds are expensive. They typically charge a l percent annual management charge and take 10 to 20 percent of any profits above a certain level. The more expensive ones will charge this performance fee annually even if an investor loses money in the first year of investing. But most only charge a performance fee if an investor is showing a net gain

since the investment was made. Investors who want to buy hedge funds outside the United States can do so either by approaching managers directly or through multi-manager funds. The latter tend to be offshore umbrella funds that employ a number of hedge fund managers to run sub-funds. Two of the better-known groups are Global Asset Management and Alpha Asset Management.

In most cases, this is a rich man's cinb. The minimum investment in the Odey Enropean Inc. fund is comparatively modest at 50,000 German marks. And the Alpha Asset Management funds exist partly to look after the founding families' fortunes.

BRIEFCASE

Pernod-Ricard Launches ADRs on a U.S. Exchange

Americans who never quite managed to acquire a taste for France's anise-flavored Pernod now have a more palatable — and hopefully profitable — approach to consider: a dollar-denominated stake in Pernod-Ricard, the largest producer and distributor of spirits in Continental Europe.

The company has just launched American Depositary Receipts (ADRs) - securities which have a value akin to share prices - on the U.S. over-the-counter exchange. The gives a stable base to the market, move is part of the company's strategy to gain a more international shareholder base. Pernod-Ricard markets its beverages in

150 countries, and is best known for Ricard, Pastis 51 and Pernod in the anise-based spirits category. It also sells whiskeys such as Wild Turkey and Clan Campbell, and is now making a concerted move into nonalcoholic drinks. It already markets Orangina and Yoo-Hoo, a chocolate-flavored drink.

Pernod-Ricard's consolidated net income was 983 million French francs (182 million) in 1991, compared to 1.12 billion francs the previous year. But if the proceeds of selling off its champagne business were excluded from its 1990 results, net income for 1991

senting one ordinary share on the Paris

A Smile on the Credit Card Discourages Plastic Fraud U.S. credit card holders may find them-

selves smiling for the camera in 1993.

The reason? After Citibank, the nation's largest issuer of bank credit cards, started using photos on their plastic last April, losses from fraud dropped 67 percent in the New York area alone. If the trend continues, said Robert McKinley of RAM Research, a credit card newsletter, other issuers will surely follow.

The cost of adding a photo to a card is about \$1 per account, but that is a small price for issuers to pay, considering the staggering amounts that are lost to fraud each year. VISA and MasterCard issuers have been hit by nearly \$2 billion on rip-offs in the past five years, and it is estimated that the bill for 1992 will exceed \$700 million. .

Amex Goes International With Frequent Flyer Plan

The frequent flyer program, once a predominantly American phenomenon, is spreading its wings, courtesy of American Express. Holders of an Americange card booking flights with Aeromexico in Mexico and Qantas in Australia can now accumulate



frequent flyer miles if they purchase tickets using their cards.

· Tomaso Zanzotto, president of American Express Travel Related Services Company International, described the airlines as "the lead carriers in their own markets." He welcomed them "as the first partners in [an] international program."

Amex has a U.S. program, which includes Delta, Northwest, Continental, and South west Airlines. A spokesman for Amex said important announcements concerning developments in other major markets were to be expected in the new year.

THE MONEY REPORT

Lift for Ski Resort Market

By Aline Sullivan

HE market for investing in ski resorts, for many years hopelessly illiquid, shows signs of thawing as entrepreneurs in North America and Europe look for ways to exploit a growing enthusiasm for the sport worldwide.

The first boom in ski resort development took place in the early 1960s, when resorts such as La Plagne in France and Whistler in British Columbia geared up to meet the demands of mass tourism. Thirty years on, a new wave of development is taking place as resorts in-vest in the mazos to gain competitive advantage to the 1990s: snow-making equipment, oew and reinbished restaurants. better chairlifts.

in the process, traditional patterns of ski resort ownership are changing in France in the 1960s, local municipalities commonly funded ski resort development with the aid of low interest loans from the government. Subsequent green winters and economic recession pushed many of these resorts into bankruptcy, making them the responsibility of the state-run Caisse

Today, private-sector firms such as the construction giant Spic Ba-tignolles, which owns Valmorel in the French Alps, are carving some resorts up and selling them off to private investors. The French bank Credit Lyonnais last month bought Flaine, a medium-sized resort created by Eric Bonissonnas, who discovered the area in 1959 on an exploratory ski tour.

Swiss and Austrian ski resorts are mostly owned by regional government authorities and managed by independent ski lift companies. shares of which are listed on local stock markets. These resorts are

est in the sport have also boosted development of European resorts far from the Alps. In recent years, record numbers of skiers have visited resorts in Scandinavia, the Pyrenees and Eastern Europe, In Scotland, there is scope for at least two more ski resorts in addition to the existing five, according to a recent report by the Scottish Sports Coun-

Again, a funding crunch looms. Aviemore, which accounts for about half the skiing market in Scotland, oceds to raise at least £10 million (\$16 million) in the oext five years to replace equipment and add new facilities, said Tom Whittome, manager of the Cairngorm Chairtift Co., which runs much of the Aviemore resort.

"We would welcome private capital now," said Mr. Whittome.
"Without the money, we will become less attractive to skiers." Aviemore, which is currently owned by a nonprofit trust and receives about 20 percent of its funds from government contributions, makes on average between £200,000 and £300,000 a year.

However, most European ski resorts remain firmly in the hands of local authorities. Investors hoping to participate in the market will find it easier in North America. where investments are more liquid and property prices have dropped dramatically following bid gains during a spate of Japanese investment in the 1980s.

One of the biggest publicly traded resort operators is Vermont-based S-K-I Ltd., which runs three ther Mountains in British Colummajor U.S. resorts, two in Vermont and one at Bear Mountain in Southern California. The company is quoted on the Nasdaq stock ex-change and has over 3,000 share-holders.

both countries have been successful in blocking development.

Expectations of increased intermarkets right now and we are looking forward to a strong season," he

> S-K-I's shareholders received a modest dividend rise in the year to the end of November 1992, from 9 cents last year to 10 cents, as their . reward for the boom in business at the company's resorts. The compaoy says it has reinvested much of its profits in recent years and soon expects to pay higher dividends. Killington, S-K-I's biggest Vermont resort (Mount Snow is the other), boasts the longest ski season of any resort in North America, thanks to its state-of-the-art snowmaking equipment.

An analyst's report earlier this month by Value Line Publishing appears to support Mr. Smith's op-timism. S-K-I has a "wide potential market," the report said. However, it cautioned that investors may want to wait for a rise in earnings before making a substantial commitment to the company.

which owns Vernon Valley and Great Gorge in New Jersey; and Blue Ridge Construction Co. in Blakeslee, Pennsylvania, which owns the Big Boulder and Jack Frost ski areas.

In Canada, Mont Saint Sauveur International in Quebec owns Jay Peak in Vermont and Mont Habi-tant and Mont Saint Sauveur in its home province. Cosporation de Developpement Intrawest in Van-couver owns Blackcomb and Whis-

The challenge facing many of these companies is to convince investors to shrug off the gloom that has settled on much of the North American real estate market in realso in need of modernization.

They are less strapped for cash than their French counterparts but powerful environmental lobbies in sorts is up 19 percent so far this with up-to-date amenities, well server creek occur rarely. But to be less spectacular, varying with up-to-date amenities, well server creek occur rarely. But to be less spectacular, varying with up-to-date amenities, well server creek occur rarely. But to be less spectacular, varying with up-to-date amenities, well server creek occur rarely. But to be less spectacular, varying with up-to-date amenities, well server creek occur rarely. But to be less spectacular, varying with up-to-date amenities, well server creek occur rarely.

most valuable land in the U.S."

Mr. Bartaglia said there are cur-

rently no plans for a public share offering. However, there are opportunities to invest in nearby land, he said.

most investment opportunities center on established resorts seeking funds to upgrade their facilities. Here the potential returns are likely

marketed, can show explosive investment returns. Beaver Creek in Other publicly traded ski resort companies in the United States are Great American Recreation Inc., Societes, a company 60 percent owned by Apollo Ski Parmers, another subsidiary of France's Credit Lyonnais bank. The remaining 40 percent of the stock is held by pri-vate investors. The firm also runs the eponymous resort of Vail, the biggest ski mountain in North America. "Beaver Creek was nothing 10 years ago," recalled Vail Associates spokesman Keith Battaglia. "Then, a variety of companies like Hyati Hotels bought parts of it and devel-oped the area. Now it is some of the

ter on established resorts seeking

Expatriate Pay Packages Need More Homework

By Tony Wakeford

FREQUENT problem with expatriate assignments to hardship posts, and one that often is not resolved early enough, is how to structure an appropriate compen-

Take the hypothetical case of Universal Inc., for example. The company wants to send Mr. Expagroup." The offshore payment to triate to manage its plant in Ere-whon for some three or four years. Erewhon has a high rate of person-al income tax and very strict exchange controls. It is a difficult and hostile environment in which to live and work, and Mr. Expatriate had to be given a significant cash

of Universal how he can structure a amount would have had to be far package to build up worthwhile greater to give Mr. Expatriate the personal savings in a hard currency outside of Erewhon.

remuneration package onshore in the host country, to enable Mr. would be removed. Expatriate to meet the costs of having a reasonable life there, and some additional remuneration offshore, out of which he can save,

That's where the trouble starts. It is a fairly safe assumption that Mr. Expatriate will become resident of Erewhon for tax reasons. and that when he files his tax return there, he should report his worldwide income. But for most expatri-ates, this reporting will not actually happen so far as the offshore element of his package is concerned.

Such an omission almost certainly represents a fiscal offense in the under the tax and/or exchangearguably conniving at it, to a great-

er or lesser degree. Assuming the company goes ahead with this idea, where in the group, exactly, is the offshore payment to be expensed? Now, the group probably has a little compa-

poses only a low rate of corporate tax, or none at all. Helped possibly by hanking secrecy and the lack of a requirement to file audited [inancial statements, the group may accordingly decide to let Taxhaven Co. bear the expense.

But then, the tax adviser gets wind of all this and says, "Hold it, you are not getting an effective deduction for this payment, in comgroup." The offshore payment to Mr. Expatriate will reduce any tax payable only at Taxhaven Co., and it may not even do that because the tax authorities in the jurisdiction may say that the payment has nothing to do with earning the profits of Taxhaven Co.

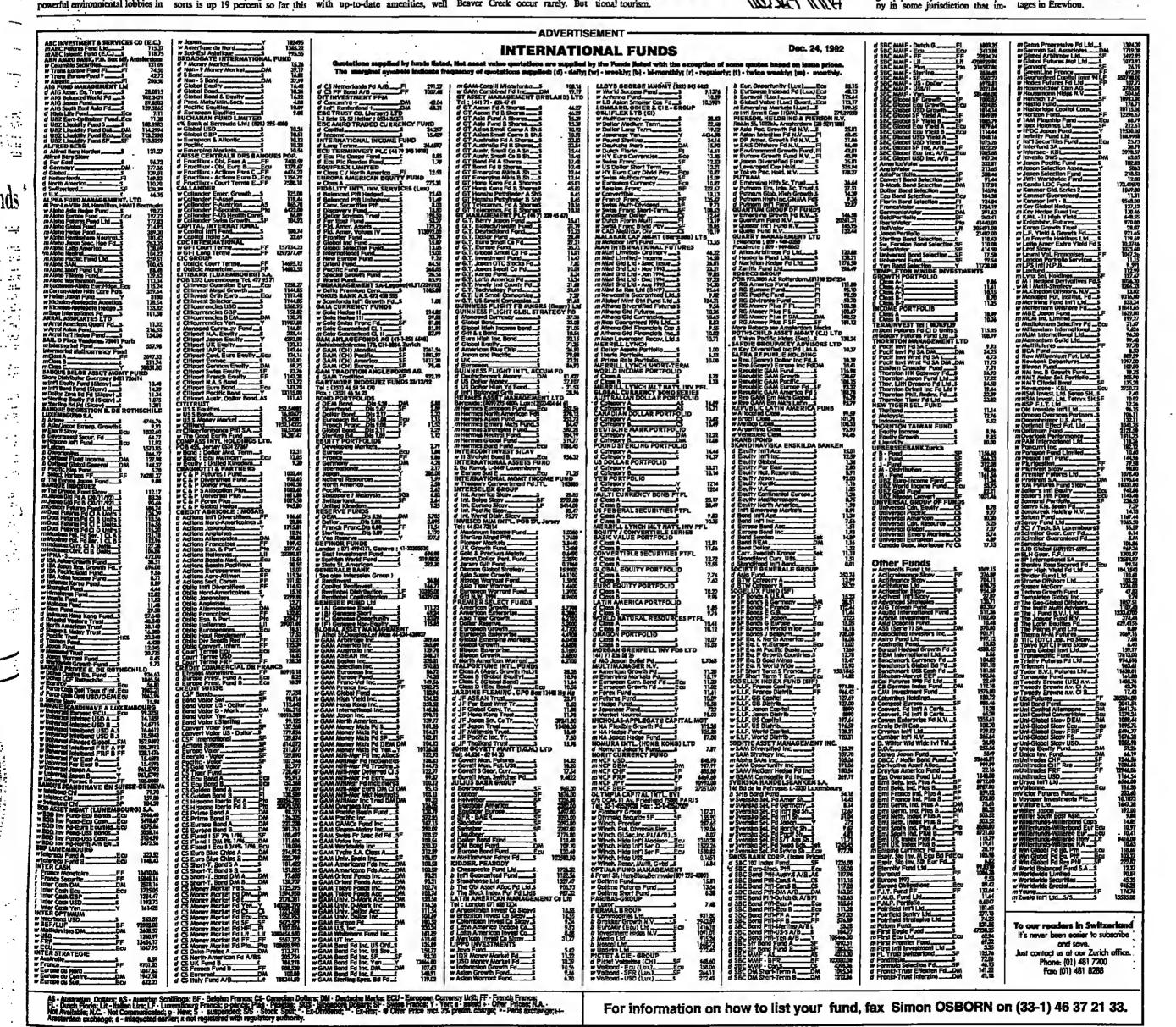
Some would point out that, if the incentive to go there. whole package had been paid on-So he asks the personnel director shore, even though the gross same net sum in his pocket, the after-tax cost to the group might The usual solution is a sensible not have been significantly greater, and at least the taint of illegality

This would not, of course, satisfy Mr. Expatriate, because he might have considerable difficulty in getting his savings out, through the controlled local exchange rate, into a hard currency area.

So what can be done? The group treasurer might argue that Taxhaven Co. should make a management charge to the Erewhon subsidy, which also would deal with any problems raised by the tax author-

host country, and Universal Inc. is control laws of some developing countries, such charges may only be made for the supply of technology not already available within the host country.

Many groups would leave Tax-haven Co. out of this altogether and accept any local tax disadvan-



~ F.

In Japan, an Ancient Sport Rides Superstars' Wave Into the Future

By Teresa Watanabe Los Angeles Times Service

FUKUOKA, Japan — They have been here for hours, young schoolgirls and elderly matrons alike, their hands clutching cameras, their eyes seeking celebrity.
Suddenly they shrick, and lunge forward. A man of

regal bearing is passing by; hands flutter for a touch. After he leaves, the women heave sighs, spent from the unbear-able exhibitantion of the three-second close encounter. Takahanada has just made his stadium entrance at this

seaside city's main cultural event. He is neither rock star nor movie idol, but his celebrity invites such comparisons.

He is a 130-kilogram (285-pound) hulk in a greased topknot who earns a living rolling in the sand with other nearly nude wrestlers. He is the brightest star of Japan's

"He felt muscular," swooned Hitomi Ueno, 22, an office worker who waited two hours to touch Takahanada's hack. "I'm never going to wash my hand. I'm going to

put a vinyl bag over it! Sumo is at least 2,000 years old, steeped in myth and sumo is at least 2,000 years old, steeped in myth and tradition as entertainment for the gods and, until recently, considered a stodgy sport for old folks. But the emergence of Takahanada, 20, a baby-faced athlete with a relatively compact huild, along with his affable hrother Wakahanada, 21, has changed that image. The "Taka-Waka" duo, as they are called, has given the sport a heady shot of sex appeal, attracted legions of young female fans and set off the hottest sumo boom in memory.

"The crowd reaction to Taka-Waka is absolutely astounding," said David Benjamin, author of "The Joy of

tounding," said David Benjamin, author of "The Joy of

"They are the reason for the sumo boom. Without them, sumo would just be another pastime."

Where stadiums used to go begging for paying customers, sumo has enjoyed a string of sellout crowds going back nearly three seasons. Nonreserved tickets, once easily acquired the same day, now draw two-day waiting lines. Sporting newspapers, which used to place sumo stories on their cover only a few times during each of the six tournaments a year, now rabidly promote coverage: For the first time in its history, the tabloid Nikkan Sports made sumo its cover story all 15 days of the grand tournament in January.

A oew television drama centers on a young woman who quits school to join the sumo world — selling king-sized

And sumo's TV audiences are steadily growing, with about 18 million viewers during the latest tournament — in November — up from 11.5 million in 1989, according to the Nippon Hoso Kyokai network.

Riding the wave of appeal, sumo souvenirs have expanded from the traditional handprints of wrestlers to an astonishing array of stuffed dolls, calendars, erasers, stationery, towels, aprons — even men's underwear adorned with caricatures of roly-poly, pink-checked, topk-

The sumo surge reflects a startling shift in popular interest. In 1988, a TV poll found sumo ranked as the public's fifth favorite sport — after high school baseball, professional baseball, the marathon and volleyball. But a similar poll in July found sumo had climbed to No. 1: It was the sport of choice for 53 percent of those surveyed.

Sumo mania is not confined to Japan. In December, the American Wrestling Association announced that it would train football players in sumo and would hold its first tournament in January in Los Angeles and other cities. In what will surely be perceived as blasphemy in Japan, the U.S. wrestlers will shun much of the sport's traditional

The 'Taka-Waka' duo, as the brothers are called, has provided a heady shot of sex appeal, attracted legions of young female fans and set off the hottest sumo boom in memory.

ritual, including topknots, and wear boxing trunks and

Japanese fans have taken to Takahanada and Wakahanada not only because of their boyish good looks but also because of their technical diligence — and a father who was also a popular wrestler.

Beyond Taka-Waka, however, the sport's boom reflects renewed interest among Japanese youth in their cultural traditions: Kabuki and Noh theater, kimonos and traditional furnishings such as tatami mats and tansu chests. said the scriptwriter Makiko Uchidate,

"Young people threw away their own culture in favor of European and American culture, but now they are begin-

ning to appreciate their culture's own goodness," she said.

To be sure, many die-hard fans look askance at sumo's surge. To them, it is fueled by star-struck neophytes ignorant of sumo's techniques lacking appreciation for the thrill of watching two behemoths collide, engage and

cleanly decide a match in a matter of seconds.
"It's a nuisance," said Yasuhiro Okubo, 23, an office worker who has avidly followed sumo for 11 years. "Because of the boom, all of these people who don't know anything are coming to tournaments, and real fans like myself can't get tickets."

And unlike real fans, the fringe rarely join support organizations to make the regular financial donations that are the lifehlood of sumo "stables," or clubs, said Mitsuaki Murakami, a former wrestler.

Murakami heads the Matsugane stable support group of 600 members, who contribute from \$8 to \$400 a month. All money is turned over directly to the stable master the oyakata — to defray the considerable expenses involved in feeding and clothing his troops.

"There is no advantage to fly-by-night fans," Murakami said, "because sumo needs money." But the wrestlers themselves don't seem to mind. "Hav-

ing young women in the audience is better than grand-mas." joked Akio Matsuda, who wrestled under the name of Wakanoumi, became an oyakata and now runs a sumo

Sumo wrestlers have always been admired for their strength - a reason that many parents ask them to hug newly born children, to transfer some of their vitality. But for many young women, the Waka-Taka phenomenon has lifted wrestlers to the status of new national heartthrobs. Never mind that most of them are obese, tipping the scales at an average of 145 kilograms. So what if many of them have a junior high school education in a nation fanatic about college degrees? And who cares if they forgo Italian designer suits for samurai-style garb, including a kimono and a topknot?

Sumo wrestlers stand out. Just ask Rie Miyazawa, the enormously popular 19-year-old starlet who rocked Japan with a book of seminude photos last year.

In a thunderboit announcement that sent Japan's voracious media into overdrive, she and Takahanada recently

disclosed their engagement. The betrothal, compared to the American glamour match between haseball's Joe DiMaggio and the actress Marilyn Monroe, seemed the ultimate confirmation of

"Today's young men are spineless," said Akiko Yamaura. 20, a junior-college student, as she camped out with her camera at the recent Grand Sumo Tournament in Fukuoka, a seaside city on the southern island of Kyushu. "But you can rely on sumo wrestlers." she added. "I'd

Some people contend that the rigidly hierarchical and tradition-bound system does not encourage independent thinkers. But Matsuda, the former wrestler, said that self-reliance is a joh requirement, since everyone is your rival. even in your own stable, and the plotting of wrestling strategies and winning techniques is a solitary task.

"You're really alone," he said. "To improve, you can

For Wrestlers, a Life of Ups and Downs

After 2,000 Years, Little Change In Sumo's Spartan Apprenticeship

Los Angeles Times Service FUKUOKA, Japan -- Life for the young wrestlers, many of whom are only 15 when they join a sumo stable, is a harsh test in endurance

Consigned to male-only communal living in simple quarters, they get up as early as 5 A.M. and, without benefit of hreakfast, spend most of the morning knocking heads in severe training exercises.

In a rigid apprentice system little changed over the centuries, the ju-nior wrestlers are virtually indentured servants. After training, while their seniors relax in the bath, they must prepare the traditional sumo meal of chankonabe, a one-pot dish of vegetables and meat or seafood. But they eat only after their seniors, and they eat the left-

After eating, the wrestlers are required to take a nap to put on weight. In sumo lore, the wrestler Takamisugi is famous for downing 13 kilograms (29 pounds) of beef in one sitting. He stopped not because he was full, but because his jaw was

tired of chewing.

The junior wrestlers also clean, sweep, do laundry and wait on their seniors - from scruhbing them in

the bath to helping them dress.
Only after wrestlers advance to the higher rank of begin drawing a \$6,000 monthly salary. Uotil then they make do with a \$55 allowance every two months

But the odds of reaching juryo are I in II. And only one wrestler of every 260 makes the highest rank of vokozuna, or grand champion, which carries a \$14,500 monthly salary, national fame and an array of perks and privileges.

The state of the s

The harsh system aimed in part at instilling psychological grit, is tough coough for Japanese to

reportedly drop out after the first year - but it can be truly harrow-

ing for foreigners.

Troy Talaimatai, 20, wrestles under the oame Ozora in the stable headed by the sumo world's only foreign-born stable master. Azumazeki, the former Jesse Kuhaulua. At the behest of his Japanese-American health teacher in Hawaii, the 180-kilogram, 1.83-meter (6-foot) Ozora chose sumo over a U.S. football scholarship three years ago, and was overwhelmed by an entirely different world.

"The first few mooths I was tripping out," he said after morning training at the Azumazeki stable in Kyushu. "I didn't know anything about sumo before I came, except that I was supposed to push someone out of the ring."

He soon found himself training, cooking, cleaning and washing -and treating his fellow Hawaiian and stablemate Akebono like a god simply because he had reached the rank of ozeki, or champion, a rung below the top.

"You got to be outs to want to be a sumo wrestler," Ozora said, although he plans to keep trying.

There are definite rewards, competitors say. Sumo has given Naoshi Karino, 23, who wrestles as Takaminohori, the chance to travel, cat at first-class restaurants and drink at fancy bars on the tah of his stable's supporters.

And he likes the chonmage top knot and kimono garh.

"Give us a sword and we'd be like samurai," he said. "There are only 800 like us in all of Japan. Since I have a chonmage, everyone knows I'm a sumo wrestler. If I didn't have it, I'd just be a fatso."

-TERESA WATANABE

The Perks and the Perils at the Top: American Finds Success Mostly Sweet

The Associated Press TOKYO - There is a downside. Hate mail. Anonymous phone callers wishing you an early death. Swarms of people who want to touch you all the time.

And then too there are the

But as Fiamalu Penitani - one of three Americans currently dominating sumo's top ranks — sits con-tentedly listening to reggae music

when we're on tour outside of Tokyo, "he said. "I've never talked to them." Penitani's success has put him in

a controversial position, particular-ly since the only wrestlers with higher rankings are the Americans Konishiki and Akebono — an unprecedented situation many Japaoese don't feel comfortable with. And to make the anti-foreign contingent even edgier, if Penitani

'Last week I got an invitation from the embassy to have dinner with Michael Jackson. Last year we got invited to see President Bush. So it's cool. When I go out shopping, people want to touch me all the time or get an autograph. I don't like that.'

Fiamalu Penitani, American sumo star in Japan

in his small room, he quickly ac- scores 13 or more victories in the knowledges that being a success is 15-day New Year Tournament next far better than the alternative.

Is also now Year Tournament next month, he could join his compatri-

"Last week I got an invitation from the embassy to have dinner with Michael Jackson," he said.

"Last year we got invited to see President Bush. So it's cool."

Sumo's highest rank, graod champion, is vacant, hot Akebono would be in a position for promo-

To millions of Japanese fans, maru, the third-highest ranked wrestler in Japan's ancient and tra-

dition-conscious sport.
"When I go out shopping, people want to touch me all the time or get an autograph," he said. "I don't

Penitani, who stands 1.90 meters (6-foot-3) tall and weighs about 160 kilograms (350 pounds), said he also could live without the groupies that congregate outside the "stahle" where he trains.

"We get a lot of them, especially all Penitani had going for him when

month, he could join his compatriots at the prestigious rank of ozeki,

would be in a position for promotion to the top if be wins the upcoming tournament. He won the last tournament, in November, and two consecutive championships is one of the requirements. Some critics contend that another - dignity -could be used to keep foreigners

from gaining the top rank.
"I get calls," Penitani said. "People tell me to die. Fans yell things. But it just goes in one car and out the other. I only worry about what's inside the ring."

Playing football for Waianae

High School in Hawaii was about Even so, Penitani said it took



The American sumo star Fianualu Penitani, 21, in his home in Tokyo. Penitani, known as Musashimaru, is the third-highest ranked wrestler in Japan's aucient and tradition-bound sport. The only higher-ranked wrestlers are also Americans, Konishiki and Akebono.

Jiichiro Date, a gold medalist wrestler at the Montreal Olympics, suggested he join the sumo world in

"I didn't want to go, because I mark had lived with my family all my life." he said. "My football coach a cons said I should give it a shot because it woo't come around again. I come from a family of eight kids, and my parents were out of work. I didn't

have any choice."

him two months to decide. But be added that once he had made up his mind, he was determined to stay with the sport until he had made his

"I wasn't going to go back and be a construction worker," he said.

AND ITS NOT WET ENOUGH TO PACK,

BUNG 15

LOST IN THE 1,000M

Penitani's rise through profes-sional sumo was the third-fastest in the sport's history. He took only two years to reach the top division, an elite group of about 40 wrestlers.

CALVIN AND HOBBES

THE SNOW ISN'T DEEP ENOUGH FOR

SLEDDING

WIZARD of ID

REX MORGAN

WENT BY

AN HOUR

There are 700 wrestlers in all the

"I used to have to sweep and mop the halls every day, and once a week I had kitchen duty," he said of the communal life he led as a junior. But once you get into the righer ranks, you get to relax more. You get more free time and privi-

Penitani still lives and trains with about 40 other wrestlers at the Mu-

ORGANIZE

12-26 MAKEPS

A SEARCH

sashigawa stable in a hland district. of central Tokyo. He gets up at 5 every morning for a five-hour workout and observes the 10:30 P.M. curfew imposed by his oya-

XORE

kata, the stable master. if he does well enough to earn promotion after the oext tournament, he said he also would get a car and chauffeur, plus a fixed monthly salary of 1.56 million yen (\$12,500), not to mention helty. prizes for each bout won.

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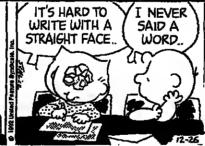
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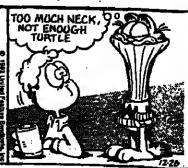
A read of the contract of the











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SPORTS BASEBALL

re BYU Hears Duke's Winning Refrain

Compiled by Our Staff From Dispatches . It's a phrase heard a lot, and the way things look, it will be heard a lot more: Duke wins.

The top-ranked Blue Devils have made the Final Four their home the last five years, taking the title the

COLLEGE BASKETBALL

last two seasons. On Wednesday night in Lahama, Hawaii, they added the Mani Invitational to the trophy curboard back in Durham, North Carolina, with an 89-66 vic-

tory over Brigham Young.
The victory was the 20th in a row for Duke (7-0) and it came as most have before and most will in the future. The lead doesn't grow in leaps and bounds. The Blue Devils

them and we try to get to next wave, whether it be inside, outside or the transition game and then there's nights like tonight we also get it going with our defense and rebounding," said Grant Hill, who led Duke with 27 points.

Duke led 48-31 at halftime.Its higgest lead was 81-55 and the clos- in 22 minutes for Seton Hall. est Brigham Young could get was 65-51 with 10:20 left on a 3-pointer by Nick Sanderson.

little trouble routing the Redmen.

Indiana's starting backcourt of tion game.

No. 7 Seton Hall 85, Adelphi 56: In South Orange, New Jersey, Arturas Karnishovas made nine of 10 field-goal attempts and scored 20 points as the Pirates improved to 9-1. Terry Dehere added 18 points and center Luther Wright scored nine points and grabbed nine rebounds

No. 9 Oklahoma 108, DePaul 94: y Nick Sanderson.

In Labama, Hawaii, Bryatt Vam scored a career-high 35 points and the Sooners claimed fifth place in In Bloomington, Indiana, Calbert the Mani Invitational. The Sconers Cheancy scored 23 points, 21 in the (6-1) were upset by Brigham Young first half, and the Hoosiers had in the first round before beating Chaminade in Tuesday's consola-

"Somebody is usually hot when countr't keep up with the Hoosiers' Scotty Thurnan scored 24 points, we first start off and we try to get to up-tempo style of play.

Robert Shepherd added 22 and Ar-Robert Shepherd added 22 and Arkansas finally shook off stubborn Tulsa late in the second half to

> Southern Cal 74, No. 17 Nebraska 64: In Los Angeles, Rodney Chatman came off the bench to score 16 points and Phil Glenn chipped in with 15 to lead the Trojans upset of the Combuskers.

The Trojans improved to 4-2 while the Cornhuskers fell to 7-1. Jackson St. 92, No. 24 Tulane 84: In New Orleans, guards John Taylor and Lindsey Hunter combined for 57 points as Jackson State (3-5) stunned the Green Wave (5-3) Taylor was 7-for-11 from the field leaps and bounds. The Blue Devils
just keep making the plays and the
lead just keep getting bigger.

Indiana's starting backcourt of
Damon Bailey and Greg Graham
No. 10 Arkansas 101, Tulsa 87:
points. Hunter added 28 points, also
forced the pace and St. John's In Fine Bluff, Arkansas, freshman
hitting four 3-pointers. (AP, UP)



BULLETPROOF BULL — Bill Cartwright of the Chicago Bulls driving around the Washington Bullet's Pervis Ellison to the basket. Chicago's Michael Jordan poured in a season-high 57 points as the Bulls handed the Bullets their eighth straight National Basketball Association defeat.

All or Nothing for Broncos and Chiefs

BRONCOS (8-7) at CHTEFS (9-6) Key stat: Broncos are 1-6 in road games but have won seven of eight from Kansas City; Chiefs Coach Marty Schottenheimer's teams are 1-9 vs. John Elway. Comment: The winner goes to the playoffs. The loser stays home. It's an all-or-nothing battle and Kansas City will be prepared and enjoy the boost from a vocal and anxious home crowd. The Chiefs defense fell apart against the Giants last week but look for All-Pro linebacker Derrick Thomas to lead a resurgence that vaults the Chiefs into the postseason. The Chiefs secondary will intercept Elway at least three times. The Chiefs are fa-

SAINTS (11-4) at JETS (4-11)

Key Stat: Saints lead the NFC in turnover differential with a plus 10; all but one Jets victory has been at home. Comment: New Orleans is playing for the home-field advantage in the NFC wild-card game and that provides plenty of incentive to bury the Jets. Look for the Saints defense to dominate and for the offerent or with the pure through Saints by 74. offense to produce just enough. Saints by 71/2.

RAIDERS (6-9) at REDSKINS (9-6) Key Stat. Raiders rank 24th in passing of-fense; Redshins allowed no sacks in last year's postseason but allowed 22 this season. Comwent: The Raiders have the pass rush to give Washington's offense fits, but that's about it. Washington will control the game in all other areas and hope that a three-way tie between them, Philadelphia and Green Bay does not occur. If not, Washington gains the final Na-tional Conference wild-card spot.Redskins by

BROWNS (7-8) at STEELERS (10-5) Key stat: Browns, who play home games on grass, are 1-4 on artificial turf; Steelers are 9-2 on turf and have a two-game losing streak. Comment: Young Pittsburgh needs a good showing to boost confidence for the playoffs. Quarterback Bubby Brister must improve and the likely return of tight end Eric Green from a six-game drug suspension will work wonders for the Steelers' offense, Steelers by 6. PACKERS (9-6) at VIKINGS (10-5)

Key stat: Packers defense has not allowed more than 14 points in any of five straight games; Vikings have three players with 10 or more sacks. Comment: Chris Doleman has 14 sacks and Al Noga and John Randle have 10 each. That's plenty of pressure for Packers quarterback Bret Favre, so look for him to roll right and left with a floating pocket to gain extra passing time. Vikings by 3. COLIS (8-7) at BENGALS (5-10)

Key stat: Colts quarterbacks have not thrown a touchdown pass to a receiver since Oct. 4, a span of 11 games; Bengais Harold Green rushed for 190 yards against New England. Comment: The Colts can go from 1-15 last year to 9-7, a remarkable accomplishment. Their run defense, however, ranks 26th in the league and

NFL MATCHUPS

must contend with Green, a slashing, quick and

powerful runner. Colts by 1½,
DOLPHINS (10-5) at PATRIOTS (2-13)
Key stat: Dolphins have beaten this divisional foe in seven straight games, including 38-17
victory in Week 7; Patriots this season have been shut out three times. Comment: Miami can still win the AFC East and the Patriots are easy fodder in the Dolphins' drive toward the title. New England remains hapless on both sides of the ball. Dolphins by 10½.

GIANTS (6-9) at EAGLES (10-5) Key stat: An Eagles victory would give them an 8-0 home record and their first unbeaten season at home since 1949; Giants have lost 16 of last 19 road games. Comment: Speculation of last 19 road games. Comment: Specination abounds that the Eagles could play to lose because a loss would likely mean a playoff game against Minnesota instead of New Orleans. Don't buy it. Philadelphia needs more momentum for a strong playoff run and any horses of topoling the top two NEC teams. San

hopes of toppling the top two NFC teams. San Francisco and Dallas. Eagles by 8. FALCONS (6-9) at RAMS (5-10) Key stat: Falcons' 30 touchdown passes leads NFL: Rams have lost 15 straight to divisional opponents. Comment: The Falcons' defense has not produced enough big plays to matter and has been burned this season in a variety of ways. Atlanta has allowed 41 or more points in five unes this season. Look for Rams quarterback Jim Everett to take his shots deep. Rams by 3.

BEARS (5-10) at COWBOYS (12-3) Key stat: Bears can finish with their worst

can win 13 regular season games for the first time in chib history. Comment: This Bears season has been dismal, featuring shoddy tackling, dropped ses and too many critical turnovers. Em Smith can win his second straight rushing title and Dallas is already assured of a first-round bye in the playoffs. Cowboys by 10%. CHARGERS (10-5) at SEAHAWKS (2-13)

Key stat: Chargers victory earns team its first divisional title since 1981; Seahawks have scored 10 or fewer points in 10 games. Comment: The Chargers are flying high and Scattle is stuck too low to pose any threat. San Diego has a quick, free-flowing defense and big-play personnel on offense that Seattle cannot match. A victory gives the Chargers 11 victories in their last 12 games after an 0-4 start. Chargers by 9½.

BUCS (4-11) at CARDINALS (4-11)

Key stat: Buccaneers beat Phoenix 23-7 in Week 1; Cardinals' Johnny Johnson has averaged 151 rushing yards in his last two games. Comment: Both teams are going nowhere but it has been an urmsual season for Phoenix. It has beaten San Francisco and Washington but has lost to the also-rans. That gives Tampa Bay hope, but the Cardinals finish with a victory because of Johnson's running. Cardinals by 7.

BILLS (11-4) at OILERS (9-6) Key stat: Bills win home-field advantage throughout the playoffs with victory; Oilers run-ning back Lorenzo White has 1,160 rushing yards and 619 receiving yards. Comment: These are two of the NFL's most talented teams; both are in the playoffs and could meet again soon.

LIONS (5-10) at 49ERS (13-2) Key stat: Lions have not won in San Francisco in 17 years; 49ers are 27th in pass defease. Comment: Andre Ware is 2-0 in consecutive starts and has shown the raw skills and strong arm that cause many to believe that he would flourish in another system with different coaching. Joe Montana returns, scheduled to play two quarters.49ers by 131/2.

These NFL matchups were written by Thomas George of The New York Times. Odds were provided by Harrah's of Las Vegas.

SIDELINES

Daly Arrested for Assault

CASTLE ROCK, Colorado (AP) - John Daly, the 1991 PGA champion, has been arrested and charged with third-degree assault after he allegedly threw his wife against a wall during an argument after he had been drinking.

Daly, 26, was arrested Wednesday and taken before a indge, where he posted \$1,000 bond. According to the arrest affidavit, Daly's wife, Bettye, told the police the arrest amoavit, Daily's wrie, Betrye, fold the police that Daly "just lost it," while drinking at the couple's home early Sunday. The incident began when Betrye Daly, 40, asked a guest "if he could control his girlfriend as she was 'hitting on John,' " the affidavit says. Daly threw Betrye Daly against a wall, the affidavit says, and then "lost his temper and destroyed the house."

New Deal for Miami Coach

MIAMI (AP) - Dennis Erickson, coach of the Miami Hurricanes, the No. 1-ranked college football

team, has signed a new seven-year contract that will take effect Jan. 1 and run through 1999.

The deal replaces Erickson's current contract, which had four years to run and paid him an estimated \$375,000 a year. Financial terms of the new agreement weren't released but the Sun-Sentinel in Fort Lauderdate quoted unidentified sources as saying the total package, with incentives and radio-television income. should pay him more than \$450,000 next year. The contract, which was signed Wednesday, prohibits Erickson, 45, from going to another Division 1-A school as head coach.

In four seasons under Erickson, the Hurricanes are 44-3 and have won two national championships.

For the Kecord

AC Milan beat Sampdoria, 2-1, on Wednesday in Genoa to become the first Italian soccer team to complete a calendar year without a league defeat. (Reuters)

McGwire To Stay

Power Hitter Gets \$28 Million Deal

New York Times Service NEW YORK - Mark McGwire, the last big name among free agents, has decided to stay with the Oakland Athletics.

The power-hitting first baseman signed a five-year contract Thursday that will pay him a total of \$28 million. The deal includes a signing bonus of \$7 million, second only to the \$9 million bonus David Cone received when he signed with the Kansas City Royals. McGwire will receive salaries of \$2.6 million, \$1.6 million, \$5.5 million, \$5.6 million and \$5.7 million.

"It's pretty close to what I was looking for, so I'm very, very happy with it," McGwire said.

The package matches the total value of the deal signed earlier in the week by the outlielder Ruben Sierra, who also chose to stay in Oakland. When the season ended, it ap-peared that Oakland, with 15 free

agents, could be stripped of much of its talent. But the A's have now secured eight of the players who were free to accept bids from any team. In addition to McGwire and Sierra, Oakland has re-signed Terry Steinbach, Harold Baines, Ron Darling, Kelly Downs, Rich Gossage and Rick Honeycutt.

McGwire, 29, who has spent his entire career with Oakland, hit 42 home runs last season, second in the majors only to Juan Gonzalez

of the Texas Rangers, who had 43. He had led in homers for most of last season, but a muscle strain on his right ribs forced him to miss 17 games in August. McGwire fin-ished 1992 with a .268 average and 104 RBIs after hitting .201 with 22 homers and 75 RBIs in 1991.

■ L.A. Gets Expos¹ Wallach

The infielder Tim Wallach, 35, was traded by the Montreal Expos to the Los Angeles Dodgers on Thursday in exchange for minor league shortstop Tim Barker, The Associated Press reported.

Wallach hit 223 with nine homers and 59 RBIs in 150 games with the Expos last season. He has an overall major league betting average of .259 with 204 homers and 905 RBIs.

"Obviously, I'm excited about it, to he coming back home," said Wallach, who is from nearby Huntington Beach.

Barker, 24, played for San Anto-nio of the Class AA Texas League the last two seasons. This past season, he hit 271 with one homer, 26 RBIs and 25 stolen bases.

SCOREBOARD

BASKETBALL **NBA Standings** .708 .577 .560 .522 .520 .438 .417 Prophysical Comment WESTERN CONFERENCE Indiang 25 24 25 27—184 Cityuland 25 26 27 25—118 Cityuland 25 26 27 25—118 Schrenser 2-15 2-7 21, Milner 9-17 2-2 22, Nanca 2-11 5-5 39, Dougster'ty 4-7 14-14 22, Rebetude—Indiane 48 (Doyds 14), Cievyelond 41 Cloudher'ty 72

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7-132-2 16. Peeler 4-118-8 16. Rebounds—Sequille 3 (Cape 19), Los Angeles 22 (Divoc 13).

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tigh 29 (Blockton 18), Marmi 18 Major College Scores

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Pittsburgh 87, Robert Morris 63
Rhode Island 84, Hartford 67
Seton Hall 85, Adeithi 36
Siena 69, Creighton 56
St. Peler's 81, Youngstown St. 68
Temple 70, Pean St. 61
SOUTH
Jackson 5t. 92, Tulane 84
Maryland 78, Towson St. 68

Indiana 105, 81. John's 80 Missouri 66, Hilnois 65 Ma.-Konson City 115, Morehead 81, 79 22 (Jordan 18).

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tierle 10-13 1-1 25; R. Idoho 84, Sectific 41

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Minnesota 27, Sonta Clare 52

Minnesota 27, Sonta Clare 52 Monton St. 72. Secraments St. 53 Newada 70. Lovala Marymount 65 New Mexico 71, New Mexico 81. 66 Pepperdine 81, George Washington 7 San Diego 78. Col St.-Hayward 54 Southern Col 74, Nebraska 64 Washinston 76, BYU-Hawali 48

HOCKEY NHL Standings

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1 3 8-6
N.Y. Respers
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(13) 2: Graves (14), Nemchinov (12), Lowe
(1), Nemchinov (13), Seats on seal—New Jersey
(on Vonitedrauck) 14-14-14-3-(7, New
York (on Büllington) 7-13-8-0-28.
Pilisbersh
9 6-3

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Larmer (20) 3, Chelica (0)1 Brody (4), Lazuro (4), Shets en geal—Chicago (on Stdorklewicz1 8-15-2—25, Ottowa (on Betfour) 12-4
7—25.

Chambers (3); Sanderson (16), Poulin [11] 2. Shots on gool—Tampa Bay (on Burket 12-3-5—20, Hortford (on Jabionskii 8-9-5—22. Harkins (11, Roberts (21), Romeim (7), Alekarov (13); Dovydov (14), Zhamaev (6), Boutin (2), Shets on geni—Catgary (on Estensol 14-11-8—33, Winnipeg (on Vernon) 7-29-9—36.

San Jose 8 8 2-2 Edmosten 9 7 8-4 Gaudreau (12) 2: Mallanby (11) 2: Klima (17) 2: Shots au soal—San Jose I an Ronterd) 4-TRANSACTIONS BASEBALL

National Buskerbell Association
NBA—Fined Detroit's Bill Letriboer \$4,500, and Alonzo Maurning of Charlotte \$5,000, for their parts in an altercation during some between Pistons and Hornets on Dec. 25. Fined Skincy Green and Johnsty Newmon of Manager. Sidney Green and Johnny Newmon of Horner and Mark Randall of Pistons \$500 each following the bench during the altercation.

ATLANTA-Put Dominique Wilkins, for

Morciulionis, guard, from injured list. Put Alton Lister, center, on injured list. PHILADELPHIA—Activated Kenny Payne, forward, from injured list. FOOTBALL National Pootball League ATLANTA—Signed Mel Agea, defensive linemon. Put Tony Smith, running bock, and Tony Jones, wide receiver.on injured reserve. INDIANAPOLIS—Walved Tom Rickelts. guard. Signed Joe Stayanlak, oftensive lineman.

PHILADELPHIA-Signed Tom Gerhard. tefensive back. NEW YORK JETS—Put Jeff Criswell, tock-NEW YORK JETS-Put Jet CHSWell, tock-le, on in Nurst reserve. Activated Matt Willing, tackle, from practice squad. Signed Sheldon Casley. running book. LOS ANGELES-Put Bruce Wilkerson, of-fensive tackle, on injured reserve list and octi-vated Steve Wright, affensive tockle, from list.

HOCKEY

NEW JERSEY—Recoiled Jim bo

ABILENE CHRISTIAN-Numed Ted Str ton offensive coordinator effective Jan. 1,
ARKANSAS-PINE BLUFF—Named Lee
landman feetball coord

ive coordinator.

EASTERN CONNECTICUT STATE—N
med Patricle Snelder men's and women's

LOUISIANA STATE-NO Colloway offensive line coach. Fined Gr Haffner and Thiefen Smith, coaches. MIAMI—Signed Dennis Erickson, for

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SAN FRANCISCO

3 1/2

HOUSTON

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Monday 28/12





A MERRY CHRISTMAS & A PROSPEROUS 1993 FROM S.S.P.

I — George Bush, while practic-ing the Secret Handshake of the Six

or Seven Top World Leaders club, glances out the Oval Office window

and notices that the darned U.S.

economy is STILL in trouble. He

vows to write a stern note to his

economic advisers, Wayne and

Garth. Bill Clinton, a virtual un-

known on the national scene, ar-

rives in New Hampshire with

enough hair spray to immobilize

FEBRUARY

11 - Bill Clinton's character

comes under scrutiny when the news media obtain a 1969 photo-

graph showing him reporting for a draft physical wearing a dress.

if his supporters put him on the

ballot in all 50 states, he will have

MARCH

11 - In the trial of accused Ma-

fia kingpin John Gotti, the judge considers a defense motion to de-

clare a mistrial because "The air

seems to be running a little low inside the 55-gallon drum where we

are keeping your honor's mother."

9 - Great Britain elects an en-

tire new government following a

campaign that took less time, total,

than U.S. politicians will need, lat-

er in the year, to agree on a debate

17 - Downtown Chicago is par-

alvzed for what will turn out to be

several days by a massive, multi-

million-dollar flood. The cause of

which is ultimately traced to the home of Arnold Spooterman,

whose last words, according to his

wife, were "We don't need a

21 - In what will later be viewed

as a mistake, the crack Middle East

Peace Negotiating Team is sent into what used to be Yugoslavia.

JUNE

3 - Clinton, seeking to improve

his image among young voters, goes on "The Arsenio Hall Show"

and, after donning a pair of dark sunglasses, smokes a joint.

new hole in the ozone layer, be-

lieved to be caused hy fumes from flaming desserts served at the Earth

odery Low W CAF 8/48, 8h 8/13, 9c 6/43, 9c 6/43, 9c 6/43, 9c 6/29, 9c 5/24, 9c 5/24,

High CAP 14/57 4/59 10/50 9/48 1/54 2/56 4/58 1/54 1/57 15/59 8/40 5/41 9/48

10 - Scientists detect a large

plumber. I'll just tighten this . . .

20 - Ross Perot announces that

the Brazilian rain forest.

them investigated.

DAVE BARRY

Diary of a Fun Year

17 - Seeking to boost the sag-

ging U.S. humor industry, Vice

President Quayle gives a spelling

7 --- A freak tidal wave hits Day-

tona Beach, Florida. Scientists are

baffled until satellite photos detect

Ted Kennedy breast-stroking

17 — Clinton begins his speech

- Clinton concludes his

accepting the Democratic nomina-

speech and sets out on a bus tour of

the Heartland with Al Gore, whose

body is unable to bend enough to fit in the bus seats, so his aides just

stick him up on the luggage rack. still in a waving position.

20 — General Motors announces.

that, in an effort to cut costs, it will

stop making cars.
21 — Delegates to the Republi-

can Convention reaffirm their sup-

port for Traditional Family Values by burning a suspected witch.

25 — In a landmark ruling, an Orlando, Florida, judge declares that a 12-year-old boy has the right

to select his own parents. He selects

OCTOBER

19 - Clinton promises to in-

crease spending on the cities, sub-urbs, farms, wilderness, ozone layer and asteroid belt, while at the same

time eliminating waste and heart

3 — Clinton wins and announces that he may not be able to fulfill all

of his campaign promises IMME-

26 — Superman dies, probably as a result of wearing the same

1 - What begins as a friendly

transitional get-together between the Bushes and Clintons ends in

tragedy when Millie ralphs up what

is later identified as Socks the cat.

suits are converging on New Hampshire to prepare for the 1996

presidential campaign, which starts

next week. Until then, have a Hap-

Knight-Ridder Newspapers

py New Year.

31 — Bands of white men in dark

underwear for 50 years.

NOVEMBER

Marge and Homer Simpson.

SEPTEMBER

about three miles offshore.

AMERICAN POPULISM: A

Social History, 1877-1898

By Robert C. McMath Jr. 245

cal both in these proposals his or her work."

been through another round of er-satz "populism" in the press, the beneficiary this time being Ross Perot, who is in fact approximately as "populist" as John D. Rockefel-

rate understanding of its history.

The grievances of those who were attracted to the movement varied in particulars from area to area, but they boiled down to hatred and fear of the monopolistic trusts of the Northeast and to a belief in what was called "produ-- the notion that work and its fruits belonged to workers, not to middlemen or creditors or

al phenomenon of short, if intense

In a Hague Troupe, Dancing On After 40

By John Rockwell New York Times Service

THE HAGUE — Professional dance can be cruel. In the Western world, at least, it is the province of youth, of young bodies that can be molded by choreographers and accomplish breathtaking physi-

After a certain age -conventionally, 40 - a dancer accustomed to a glamorous life and applause and world travel sudden-ly finds himself or herself on the professional scrap heap. In a big ballet company, there are always character parts. There are ballet-master and teaching jobs. A choreographer in the modern-dance tradition can continue performing, incongruously surrounded by a seemingly unchanging cadre of youthful dancers; one thinks of Martha Graham or Merce Cunningham.

But most aging dancers are forced to fade into private life. And outside the civil-servant status enjoyed by members of state-supported companies in Europe, they often have few resources to support themselves in their enforced early retirements. The shock can be devastating. It can also be a waste of still-talented performers with much to discover and much

For all those reasons, the Czechoslovakborn Jiri Kylian, who has run the Neder-lands Dans Theater here for 17 years, decided last year to start a chamber company for dancers over 40. Called Neder-lands Dans Theater 3 (the main company is Dans Theater I and the junior company is 2), it has attracted important dancers and choreographers and, even without direct government support, has proven a big hit with the critics and public — not only in the Netherlands but all over Europe. There is an active European touring schedule from January through May.

"If you are the artistic director of a dance company for a substantial number of years, you are confronted with the painful moment when for one reason or another a dancer has to leave," Kylian said in an interview. "This can mark them in a quite

"I am 45 myself, and I know what it means to be around this time of life and how difficult it can be. This company is a gesture toward the dancers. It tells them they don't have to give up, that there are ways of physical expression, endless possibilities that can go on until you die."

The troupe is not meant to provide guaranteed employment for dancers from their early teens until old age. There are 32 dancers in the main company, and at pre-sent only four in Dans Theater 3. Furthermore, those 4 (or 5 or 6, depending on repertory) shift continually. There are two



During Maguy Marin dance, from left, Sabine Kupferberg, Gérard Lemaître and Niklas Ek.

programs per season, each requiring a commitment of about five months of re-hearsal and about 40 performances. The idea is that dancers who have learned one program occasionally reunite for revivals

after the initial five-month period. The current program was unveiled on Nov. 26 in the Hague and will play through Jan. 15, with additional tour ates. The dancers are Sabine Kupferberg and Gerard Lemaftre, both longtime Dans Theater stalwarts; Niklas Ek, a veteran of the Culiberg Ballet, the Ballet of the 20th Century and the Royal Ballet of Sweden, and Martine van Hamel, well known to New York audiences for her years with American Ballet Theater, I emaître serves as company director.

The program, seen recently at the Nederlands Dans Theater's spiffy home, consists of new works by Maguy Marin of France, Ohad Naharin of Israel and Ky-

There was to have been a fourth new work, by Maurice Bejart for his longtime star Jorge Dunn, But Dunn died this fall and Kylian said Bejart was too distraught for now to work with the company without him. In place of the Bejart work came a revival of a dance done last year for the company by Mats Ek, Niklas's brother.

Anyone expecting an evening that eased off on aging bodies and stressed upper-body subtleties and the gravity of maturity would have been disconcerted. Instead, the large and enthusiastic audience saw works that capitalized on the dancers' the-

that also were full of wit and life.

Marin's "Made in France," for the full company, blended droll humor and sexy interplay, and Naharin's "Off White" for Ek and Kupferberg was similarly funny and sensual. Kylian's "No Sleep Till Dawn of Day" was a more somber study, with parallel solos by Van Hamel and Kupferberg, while Mats Ek's "Journey." for the foursome, was focused on the boyliness of his 49-year-old brother.

None of the dancers thought of the company as a rest home for dancers in steep decline, "We are all strong individ-uals, and still really physical," Kupferberg

Kylian and the dancers said that all the choreographers who were approached have been eager to work with the company, despite extremely low fees (Dans Theater 3 must get by on box-office receipts, although of course many umbrella costs are covered by the main company, which is 60 percent supported by the Dutch state

and 40 percent by the city of The Hague). The choreographers work differently with these older dancers than with the

younger dancers they are used to. Although the current program proves that Kupferberg's claim of continued physicality is no boast, the choreographers work carefully with them to bring out their strengths, instead of demanding that they fulfill a pre-existing vision .

"A person like Martine van Hamel has

worked with 40 or 50 or 60 cboreographers in her life," Kylian said. "Can you imagine what an accumulation of experience that As if to stress the intense personal

bonds between choreographers and mature dancers, last season's inaugural program deliberately underscored such links, "Four choreographers made works on people who represented a special part of their lives," said Kylian, who is married to Kupferberg. "Mats Ek did a piece for his brother, I did one for my wife, William Forsythe did one for his ex-wife and Hans van Manen did one for his ex-boyfriend.

Choreographers for coming seasons in-clude Bejart, Martha Clarke, Jennifer Muller, Carolyn Carlson and Lar Lubovitch, Gary Chryst, the Joffrey Ballet vet-eran, is to join the company soon.

PEOPLE

Hoffa's Son Says Film Misses Pop's Brilliance

Jimmy Hoffe's only son says lack Nicholson gets down some of his father's essence, but he doesn't like the new \$40 million film about the Teamsters Union boss - presumed dead since 1975 and possibly compacted into a automobile and buried secretly. The film probes Hoffa's ties with organized crime, a relationship that may have led to his disappearance. "It was not exactly what I thought it would be." said James P. Holfs, 51, 4 labor lawyer in Detroit. "My father was a very brilliant, charismatic man. I didn't see that as clearly as I thought I would."

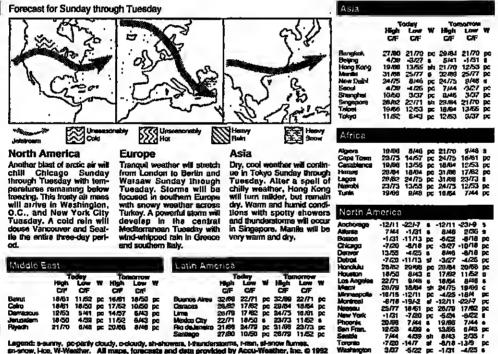
Mia Farrow took greeting cards off packages Woody Allen sent to his son for his birthday and from Christmas packages he sem to his two adopted children. Allen's spokeswoman said. 'Miss Farrow didn't want the children to read the notes embellished with sketches and doodles that Mr. Allen sent them taped to the packages, so she stripped them off," said his spokes. woman. Leslee Dart. "It's pathetic and very sad that she should be depriving the children of greetings from their father on Satchel's birth day and for the holiday." Satchel Allen's biological son with Farrow turned 5 last Saturday. The other children are a daughter. Dylan, 7, and Moses, 14. Allen and the actress, lovers for 13 years, are locked in a nasty custody battle over the

Tom Cruise and Nicole Kidness have canceled plans to adopt a bahy in Palm Beach County. Florida, according to court documents, and have demanded an investigation into how their adoption pention became public.

Nightcaps, a defunct Dallas band, has sued the ZZ Top rock group for \$49 million, accusing it of stealing its song titled "Thunder-bird." Nightcaps charged in U.S. District Court at Dallas that it wrote the song, which glorifies cheap wine,

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WEATHER



BOOKS

But it doesn't: Populism was a short-lived if disproportionately inof specific grievances in specific places and sought specific remedies for them. It was, for its time, radigraduated income tax, public ownership of railroads, popular elec-tion of U. S. senators — and in its

broad insistence upon what Robert McMath calls "the simple idea that the producer deserves the fruits of Given that populism is so widely misunderstood, it is useful to have McMath's careful, intelligent analysis of the phenomenon; his book is

ker. In the circumstances, "American populism" should be required reading for anyone whose interest in politics does not include an accu-Populism burst onto the American scene in the early 1890s. In

ment, arising from "many separate islands of protest scattered across the South and West."

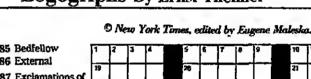
lenders or others who, in the view of these farmers, earned their profits off the sweat of laborers. As The Washington Post.

McMath puts it: "The story of western farmer mobilization story of men and women who had knowingly entered the world of of making a life, as well as a living, for themselves and their children. Now they, like their southern coun terparts, found themselves buffeted by forces beyond their control and their dreams turned to night-

McMath tells populism's brief but interesting story succinctly and well. He places populism "within the context of rural social history," m so doing helping us understand not merely why it came into being but why it was fated to be a region-

athan Yardley is on the staff of

Logogriphs By Ernst Theimer



88 Fashions 90 Dray 92 Short sock

55 Panay native 96 Cement 58 Smart curing

21 "-- Lucy" 22 Residence 23 Engine coole machines 65 Eats 78 & 100 Across 66 Catfish or

48 Antipodean soldier

51 Have a bawl

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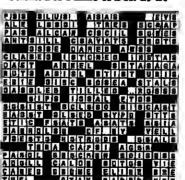
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Puccini aria 37 Lose color 38 Indian sheep

78 An 1849 event 83 Double curve



85 Bedfellow 86 External 87 Exclamations of

53 Ground hominy 9S Shiny fabric

> 100 Sour-grapes 103 Get one's goat

104 Middle East ruler 105 Hiatus Cannery 67 Twin crystal

Nachtmusik 68 Ospreys' kin 107 Algerian port 108 Slender 109 Las Vegas 71 Set natural

74 Gudrun's 110 Rigel or 7S Latvian seapor 76 Sri Lankan

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DOWN

7 Edges

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12 Oliver Twist's 36 Wood-trim 13 Señora Perón 14 Calif. beach 37 Weaken 15 Disreputable 38 Voiced

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24 Prodding 43 Dido 44 Pester 25 Atlas feature 45 Are 26 Flaneur

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56 Straight 35 Theater award 57 Ethically neutral 58 Mower paths 59 Sam and Tom

60 Keepsake 61 Purposeless 62 Special 63 Skin irritation

64 Timber tree of

76 Contemptibility 77 Supports of 79 Sackcloth's partner 60 Pendulous par

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69 Barking circus

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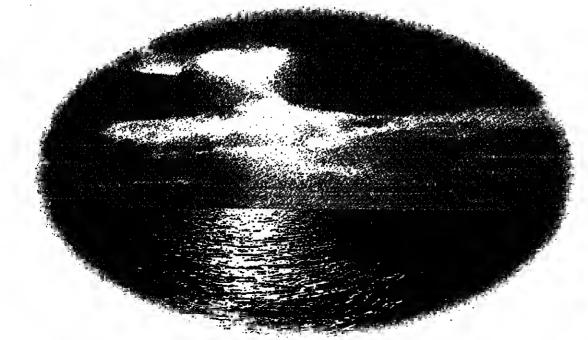
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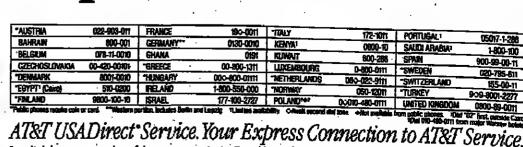
Get your point across in no time.

39 Depends

40 "Then hey for

42 Devout insect?





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